



HUMAN ISSUES UNDER MODERNIZATION STRATIGIES

A Comparative Study of Public & Private Sectors

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ABSTRACT

In a country like India where unemployment is rampant, labour intensive, the workers do not welcome capital intensive technologies. The new economic reform & govt. policies forming capital intensive technologies have evoked serious reactions among the workforce & hence numerous **human issues** are emerging in Indian business environment.

90s in the Indian business has been an era of activity and change. In today's world, modernization in industries is basically in the form of technical advancements. Computerization is one technology, which has had the greatest impact. Automation, another form of advancement replaces humans with machines, & thus giving birth to several new **human issues**.

The Twenty First Century is knocking at every door that we have to Rapidly improve our tools for modernization because those tools that were bought then are no more suitable and relevant for 21st Century. It requires leader managers who are courageous, courteous, committed and competent to adapt to modern technologies.

We, therefore, propose to study a couple of organizations from public and private-sector global companies in order to make a comparison of their respective human resource practices, strategies and interventions to manage these human issues successfully. In spite of her best efforts, the investigator could not find many researches which were directly related to the present study.

For the purpose of finding out human issues in Indian business environment particularly of those organization which have undergone through a process of modernization with respect to HRD practices & they are located in any part of India. Since the main constituents of the sample were public and private sector organizations and data were collected from both type of organizations, the purpose of the study becomes descriptive cross-sectional in nature. The researcher had to devise an appropriate tool for the assessment of these issues. The researcher collected a large pool of items/statements related to human issues of HRD area through survey of literature, interviews, personal contacts, etc. These Items were examined carefully and on the basis of opinion of academicians of HRD area, practicing HRD managers and few judges, those relevant **human issues** which showed maximum

agreement were retained. On the basis of consensus among the experts, the questionnaire was finally prepared which contained 20 items. These selected items i.e. sub factors were classified into seven broad factors namely, Human issues related to the Human Resource Policy, Human issues related to the Revision & Measurement of Job Description, Human issues related to the Human Resource Methods & Systems, Human issues related to the Retrenchment & Redeployment of workers, Human issues related to the Selection, Training, Development & Retention of employees, Human issues related to the Employees' Moral & Organizational Climate Setting, & Human issues related to the Industrial Relations. The information regarding human issues under modernization strategy was collected strictly from the senior managers (HRD) of the organizations. The data thus obtained, using well designed questionnaire of 20 items through senior managers were tabulated factor-wise. At the first stage the average score for one factor obtained by one respondent was calculated. After that a combined mean of overall sample for each factor was calculated. Finally, seven average means for seven factors related to human issues were emerged. These average means were then compared with the hypothetical means assumed by the researcher in abundance for each factor with the help of the t-test as statistical technique to find out significance or insignificance of each factor that has been tested at 5% level of significance. The results of the analysis show that majority of factors are insignificant. However, a few are significant to a minor extent. The factors which are showing some degree of significance are mainly due to technical fluctuation to the type of the sample selected and the method employed for the same. However, this degree of significance is not a major one & therefore it does not affect seriously the hierarchy and gravity of human issues.

The mean rating score for the “human issues related to the human resource policy” factor was 9.8 and the hypothesized mean for this factor was 9.3. The calculated ‘t’ value for the difference of these two means was 2.5 which is higher than the table value (2.26) at .05 level of significance. The above factor was therefore found significant. This suggests that human resource policy in practice plays a significant role in HR management & serves as the main guidelines for the proper functioning of the organizations to achieve its aims and objectives.

Issue wise rating of the factor-human issues related to the revision & measurement of job description on importance mean rating scale

is also high & it shows that the issue is important while managing human issues in relation to revision & measurement of job description. The trend of importance mean rating scale in regard to this factor indicates that in their opinion there is no place for compromise with revision and measurement of job description. The trend of data also reveals that revision and measurement of Job description is essential in the eyes of all organizations, but the degree of importance is different from different organizations. If the job description has been revised then it is essential to upgrade employees as per revised job description.

The importance of the factor named human issues related to the human resource methods & systems was found higher, beyond the expectations of the investigator as the calculated t-value is higher than the table value & therefore it may safely be concluded that calculated mean (9.3) is significantly higher than the assumed mean (9.0). For the importance of this factor, only one organization-Mahindra & Mahindra assigned 10 marks out of 10 on importance mean rating scale. Four organizations assigned 9.5 marks out of 10 while the remaining five assigned 9 out of 10 marks. The overall importance of this human issue may be considered at high level & this implies that the HR system is prevailing in the organizations. The overall importance of this issue is at high level in the opinion of the senior HR managers of the organizations. If an organization wants to achieve organizational excellence to compete in the market, it will have to rationalize & design its HR systems, policies, tools & techniques, & its monitoring to control the system is essential.

For the importance of human issues related to the retrenchment & redeployment of workers, the factor was found to be statistically insignificant. The assumptions regarding retrenchment & redeployment of workers are in confrontation of the observed facts. The trend of rating score for this factor also suggests that retrenchment practice does not favour the organization. It is suggested that management must be careful at the time of recruitment to avoid the after effects of retrenchment. Right persons should be selected at the right time for the specified position through the proper selection strategies.

The last three factors namely, human issues related to selection, training development & retention of employees, human issues related to employees' morale & organisational climate setting, & human issues related to industrial relations are also important to

every organization & have far reaching consequences but they were not found statistically significant. This pattern shows that assumptions regarding these factors were correct & are quite in consonance with the observed facts from the various organizations.

Further, the results on importance mean rating scale showed that “human issues related to the human resource policy” factor was considered to be the most important while the "human issues related to industrial relations” factor the least important among various human issues related to HR practices while others occupied intermediate position under modernization strategies in Indian business environment. Additionally, the rating scale was also used separately to obtain information about the relative strength of the seven factors as possible determinants under modernization strategies & surprisingly, importance of four factors was found in the same order as described above.

To maintain organizational excellence by means of efficiency & effectiveness, a conclusion of the findings of present investigation was drawn & most suitable HR systems were also suggested at the end.

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CHAPTER-I

INTRODUCTION

Origin & Selection of the Problem:

1.1 Technological Changes: Change is the essence of life. In the fundamental changes taking place in the corporate scene today, there is growing realization among management experts that strategic advantage in the coming century will depend upon how employees are managed. This century has seen the rise and fall of many large corporations. G.M. and Ford are no longer leaders in the automobile industry. Toyota and Honda have sped past them.¹ Kodak and Xerox have been humbled by Fuji and Cannon in photography. The illustrated weekly which was a household (weekly magazine) name for more than half a century has disappeared and India Today has replaced it. Binny has gone and Reliance has emerged as the giant in the fibre industry.²

Published in the Economic Times, New Delhi on 18th Aug., 1998 it is keenly observed that the change may affect sometime adversely as one of the examples regarding AFF is given here:- Almost 19 people have quit accountancy and management consultancy firm A F Ferguson and Co. (AFF) in June-July, 98. The exodus comes at a time when AFF, India's largest homegrown firm, is facing stiff competition from multinational consultancy firms. The reason for people leaving, say insiders, is the change in the agency's IT strategy. Confirming the change, EA Kshirsagar, head of AFF's consultancy business says, that the departure of a handful of the IT personnel is not likely to affect AFF in any way. In our kind of business, people come and go, he adds. For AFF, though, people leaving is not unusual. It was only three years ago when AFF snapped ties with its strategic alliance partner -- multinational consulting firm KPMG-Peat Marwick. The fallout of the incident saw some top AFF directors quit to join rival firms and in some cases set up their own outfits.

The technological changes were defined as “the provision of new information or knowledge that is used effectively in industrial operations & has measurable effects on costs, product, qualities, level of output or sales. It also includes the provision of new information that affects management & it specifically includes the instructions of the worker on the production floor in the efficient use & operation of existing machinery as well as of new equipment”. It also involves process & product innovations & the acquisition & use of new information or knowledge that affect production & sales of a product.

It was stated that technical change may be triggered by external economic & internal organizational factors. While economic factors involve activities of competitors, growth or contradiction in markets, movements in prices & exchange rates, government grants, & local skills shortages, the organizational factors are like production bottle necks, increased material waste, rising indirect costs & so on.

The recent & rapid technological changes such as Advanced Communication System, Industrial Robots, Flexible Manufacturing System, Computer Assisted Design (CAD) & Computer Assisted Manufacturing (CAM), in turn cause changes in the structure, design & the environment of the organization,. It requires sufficient human resources planning to meet the challenges ahead.

Since change is inevitable, the adaptation process becomes easier if a situation requiring change is perceived as an opportunity and not a threat. If organizations are unable to respond to the changes by adapting to them, they will become victims of the change. The importance of managing change thus becomes crucial for organizations to gain a competitive edge over others. To be able to take a proactive approach to change, it is necessary for organizations to anticipate the changes and prepare the people to adapt to the changes by developing them.

In other words technology means becoming perfect mechanically & its purpose is to increase production. Whereas humanity means becoming perfect humanly & its purpose is to remain human. The merging of mechanization & humanity is possible only when the machine becomes more human, or the human becomes more mechanical.

There is an increasing awareness that Human Resource is the most important resource of any organization. The effectiveness of the organization depends on the efficacy of its employees. While every other resource, such as material, machine, and even finance can be bought if one pays the right price, the only resource that cannot be bought per se is motivated human resources. Motivated people will have to be developed and nurtured by managerial competence. It is through systematic and effective human resource development system that “ordinary” people can be converted into “extraordinary” performers. Thus, investments in human resources should be viewed as a long-term investment, and not as a short term expenditure, because investment in human resource development will yield rich dividends in the long run, unlike other investments which depreciate in value over time.

Wherein persons working in organizations are considered as valuable resources and the need to invest time and effort in their development has been accepted by organizations. HRD is, therefore, aimed at transforming the organization into a human system, developing commitment among the employees and integration of the individual employees with the organization.

1.2 Human Consequences: The implications of introducing new technologies increasingly in many industries, beginning with the introduction of factory automation in the 1950's & 1960's on human resources have been debated continuously for the last four decades. There have been two ends to the spectrum

of this debate. On the one hand it has been argued that technological advancement is beneficial since it increases production thereby reducing labour cost, eliminates repetitive & physically demanding jobs., improves working conditions, allows functional flexibility & creativity, enhance skills, gives a sense of pride to the employees in operating sophisticated equipment & provides charges for high pay, better promotion, more jobs, better quality goods & lower prices. On the other hand, it has been argued that the worker is not able to cope with the increasing pace of technological changes & experiences fear for job losses, alienation, powerlessness professional obsolescence, anxiety fear towards changes. Only very few studies discuss consequences of the technology on employment, also they give controversial views regarding the human issues. While some studies argue that technology enable the production of better quality goods at lower prices & therefore the demand for those goods would increase & expand employment, some other suggest that continuing developments of new technologies continue to displace labour every time they are adopted & therefore unemployment becomes an unrelieved feature of economic growth generating tension along the growth path. In a country like India where unemployment is rampant, labour intensive, the workers do not welcome capital intensive technologies. The new economic reform & govt. policies forming capital intensive technologies have evoked serious reactions among the workforce. The workers feel that the New Exit Policy would give enough freedom to the management to retrench workers or even terminate workers at any time. Many firms will not be able to compete with multinationals resulting in their closure. Therefore, it is a matter of grave concern for workers & unions as they fear that the government is developing a “law of lawlessness”.

Being put in a new work environment with new jobs contents & less socialization, the worker finds difficult to adjust to the situation & loses his sense of belonging to the organization as new technology demands new skills & therefore workers

need to be multiskilled to meet the requirements of the new system. The rapid changes practically make it impossible for the workers to update his skills. The worker perceives himself inferior in front of the machine system which threatens his self-confidence. Even though the worker is able to update his skills according to the demands of the changing technology, an equivalent increment in salary or changes in designation does not take place. As a result, the morale level of the workers decreases.

1.3 Change & Management : (a) Global Reforms & Transformations : The effective management of change requires the managers to firstly identify the changes that are necessary to cope with the changing world outside. If, for example the organization has been operating in a closed-economy and due to pressures from the world economy new demands are made on it, action could be taken in an orderly and rational manner. One would look at the situation very clinically and undertake a detailed organizational and environmental analysis as a starting point. Thereafter, one would plan out the changes necessary to meet the situation and follow it up with an implementation programme. But the question is whether this is generally the manner in which change is initiated in organizations. The manager will particularly find that certain process of global reforms and transformations, which are even considered as irreversible by some are manifesting themselves at regular intervals. He would be confronted with such issues as a global economy that is changing its face with the movement towards globalization and market-orientation, and the all the pervading influence of Information Technology (IT). These changes have a direct impact on all the organizations which are in effect open-system dependent upon the environment for resources and markets. To survive in such a world a manager would need to gear his organization to meet the demands made by this ever-changing environment by initiating a process of change.

(b) State Owned Enterprises : The government also sometimes attempts to sell enterprises which are running at a profit. In one particular instance of this nature, a large number of employees became so violent that the police had to step in to restore order here. The government's purported reason was that the plan was obsolete as well as nearing the end of its useful life and there were no funds in State Owned Enterprise (SOE) to make the vast investment necessary to bring in the new machines needed. A condition of the sale was that the investor should invest in an expensive new plant within the first year after purchase. Thus from the demographic point of view, the HR manager has to tackle a young workforce on one hand and handle older employees on the other. The needs of these two groups are different and the caliber of the HR Manager is gauged by his innovative approaches to the issues. A third dimension in the demographic set up is the bulging middle class population of the country which is estimated to be over 300 million.

© Resistance to Change: (i) When one talks of bringing about change in an organization what is meant is not so much the change of physical structure, as the relationships that exist among the people in the organization. It has been well established that people generally do not like change, especially change that takes place rather suddenly. They would resist such change, however desirable it may be for the survival and growth of the organization. The challenge then for the manager is to develop and implement a strategy for overcoming resistance and bringing about the desired change. How this can best be done becomes a major issue in the management of change. There are many lessons to be learnt on the subject of overcoming resistance to change from the literature. Many writers have advocated different techniques for dealing with resistance, for example, Kurt Lewin puts forward a 3-stage process. These stages are those of unfreezing the subjects changing them and then refreezing or stabilising their newly learnt behaviour patterns. The principle involved here is that no headway can be made

towards internalizing a new behaviour pattern until the subject is made to rethink about the appropriateness of the existing patterns.

(ii) Another interesting approach for overcoming resistance to change is put forward by John P. Kotter, Leonard A. Schlesinger.³ They state that all people who are affected by change, experience some emotional turmoil and that even changes which appear to be “positive” or “rational” involve loss and uncertainty. They believe that for a number of different reasons individuals or groups can react very differently to change, and that in order to predict the form that resistance might take the managers need to be aware of four important reasons as to why people resist change. These reasons are:

- (a) A sense of loss of power or prestige that people feel when confronted with changing technology.
- (b) Misunderstanding of the change and its implications;
- (c) Misunderstanding
- (d) Belief that the change does not make sense for the organization;
- (e) Low tolerance for change, and
- (f) A lack of knowledge and skill by people expected to work with and execute the technology.

(iii) At the factory level, the use of computer-integrated manufacturing reduces the size of the direct labour force, threatening people’s livelihood. Similarly, there’s the worker whose assembly skills are replaced by robots, the worker who has insufficient reading & numerical skills to cope with flexible manufacturing systems, the professor whose typing skills are underdeveloped and who sees the word processor as an intrusions. Herein lies a particular challenge to **modern manager**. Companies have to provide resource to enable workers to cope with

changes in the incrementally advanced technology. In the end, education system must provide the necessary basic reading, writing and arithmetic.

1.4 Liberalization & Globalization : Winds of liberalization are blowing over all the sectors of the Indian economy. Their maximum impact however is being felt in the industrial sector. Licensing has been scrapped except for a few industries of strategic importance. Monopoly and Restricted Trade Practices Act 1969(MRTP) has been liberalized to a great extent. The limit on asset holding as far as large business houses are concerned has been removed. Provisions of Foreign Exchange Regulation Act 1974(FERA) have been relaxed substantially. Foreign companies can now freely hold 51 percent of shares in their Indian joint ventures. Foreign direct investment is being actively encouraged.

Arshdeep Sehgal & Soma Banarjee⁴ said Indian Oil Corporation has decided to walk out of the joint venture, Indo Mobil Pvt. Ltd. by diverting its entire 50 percent shareholding in favour of its JV partner, Mobile Petroleum Company Inc, a company of the Exxon group. Interestingly, the decision to part ways follows the global merger of Exxon with Mobile and its changed corporate philosophy thereof. According to officials, Exxon maintains a principle of operating on its own and therefore after the global merger it urged IOC to either buy Mobil's stake out or give up its stake in favour of Mobil.

The unification of Germany, the break up of USSR, the changes in the Eastern Europe, the closeness of NAFTA, APEC and the ASEAN blocks as well as the unification of the European market through United Europe is an approach by each of these blocks to improve the competitiveness of their members in the global market. These changes do lead to a transformation of approach on the economic policies of each country with an impact on the **human resource** working in each sector of their economy.

Since every country is in need of economic growth, countries have started viewing the world as market. The impact of this is global competition wherein developed countries have started looking at China, India, Indonesia, Brazil and Mexico as potential markets because of their population size.

Though India is a member of SAARC, the reality is that members of SAARC have not been able to improve their competitiveness in the global market because they have not jointly tried to deal with the global market. Each member country of SAARC has been trying to improve its trade with other countries and the approach on economic policy adopted by each member country of SAARC is different. Also member countries have not been able to build substantial trade with each other.

The 90s in the Indian business has been an era of activity and change, throwing open opportunities a plenty amidst increased market competition. Companies in India having realized the importance of remaining competitive in ensuring survival and growth have been resorting in measures such as restructuring, strategic alliances and joint ventures, mergers and acquisitions and diversifications. Mergers and acquisitions have become a common practice in the Indian industry today. The few examples of mergers and acquisitions that come to mind are the ones involving big-business houses like the recent merger of SCICI with ICICI the acquisition of Gufic labs, Vorin labs and Crosslands Research by Ranbaxy Labs Ltd. The merger of Brooke Bond and Lipton, and thereafter Brooke Bond Lipton India Ltd with the Hindustan Lever Ltd. (HLL) the merger of TOMCO with HLL merger of COKE and Parle Soft Drinks the merger of PIL with NOCLL Godrej soaps acquisition of Transelektra, the merger of Hoechst Marriion Rousell, the merger of Hindustan CIBA and Sandoz (now known as Novartis) the merger of Burroughs Welcome and Glaxo, etc.

Merger and acquisitions among the Indian companies make more business sense to compete both in domestic as well as international front & create an opportunity to diversity and grow bigger. The advantage of the merger to other is usually noted in the form of addition in value-added products. Moreover, the merger could also mean a lesser tax burden for smaller entity because of its infusing of funds in a large entity.

Merger intended to bring with it the advantages of backward and/or forward integration & there is in it product diversification through acquisition of strong brands and enhancing of profits. The merger of one with another did mean better utilization of combined production capacities of the two. Afterall, it is in an integration of two distinct organizations, and there are many issues that are involved. People's support in both the organizations is necessary for sustaining the strategic-fit and thereby making a merger-acquisition deliver the desired results. People support can be ensured through a carefully handled transition period in which HR professionals have a lead role to play This period and the post merger integration period entail change management and culture building (as part of cultural integration). HR professional must ensure that human assets remain in the merged entity so that the desired objectives through the merger/acquisition can be realized. In doing so they may have to address certain problems which are common to any merger/acquisition process but are of critical importance if people in both the organizations have to accept such a change. Thus the challenge for HR professionals may include problems of identification with own organizations (among members of target company), lack of two-way communication (Feros Lewis, 1979)⁵, cultural integration, and psychological and social dynamics. (McCann, Gilkey, 1988)⁶ together. HR professionals in both the organizations will have to actively get involved in identifying the prevailing norms, values and beliefs (value-systems) in their organizations, and then work together in deciding on value-system that is desired in the new organization.

Several psychological and social problems arise during the post-merger integration period. These may be in the form of perception of job insecurity, anxiety, reduce morale and commitment, turnover, absenteeism, stress, fall in performance, etc. HR professionals have to be proactive in their approach during any merger/acquisition process. To a large extent the answer to such problems lies in effective communication HR professionals will have to devote times for personal interactions and counseling to address such problems. Contend that providing even minimal clarifications allows people to begin redefining their roles and resuming their activities.

A survey conducted in 1955 by the U.S. Federal Trade Commission to find out why companies choose the merger and acquisition route, listed seven major benefits of acquisition for the acquiring company. They are:

1. Gaining additional capacity to supply to a market already being serviced by the acquire.
2. Gaining extended product lines.
3. Achieving diversification of product base.
4. Gaining facilities to produce goods purchased earlier.
5. Gaining facilities to process or distribute goods sold earlier.
6. Gaining access to additional markets.
7. Other advantages such as empty plants, control of patents, etc.

1.5 New Industrial Policy of India: The Government in India which assumed office in June 1991 took immediate steps to save the economy which was in the midst of severe balance of payment crises with hyper inflation and low productive activity. The government initially sold 20 tonnes of Gold and pledged another 27 tonnes of Gold to the Bank of England., devalued the Indian Rupee to adjust to the realistic exchange rate and finally made the Indian Rupee convertible in trade

account. Some of the key steps taken were to restore fiscal discipline, move to encourage free trade by making import duty more realistic, devaluing the Indian Rupee, large scale delicensing, removal of Monopolies Restrictive Trade Practices Act (MRTP) and Foreign Exchange Regulation Act (FERA) restrictions, liberalization of the financial markets, encouragements of mutual funds, flexibility to enterprises in deciding the premium to be collected on shares while offering them to the public, sale of public sectors shares, land reforms and revamping of the public distribution system.

The new Industrial policy was released on 24 July 1991. The New Industrial Policy Objectives that make a mention of items that will have an impact on Human Resource Management and these are listed below :

1. Government will ensure that public sector organizations are run on business lines as envisaged in the Industrial Policy Resolution, 1956.
2. Government will fully protect the interest of labour, enhance their welfare and equip them in all respects to deal with the inevitability of technological change.
3. Government will ensure that labour be made an equal partner in programmes and prosperity.
4. Workers participation in management will be promoted by government.
5. Workers co-operative will be encouraged by Government so as to participate in packages designed to turn around sick companies.
6. Intensive training, skill development and upgradation programmes will be launched by Government.
7. The pursuit of the objective will be tempered by Government by the need to preserve the environment and ensure the efficient use of available resources.

The New Industrial Policy at the document level has tried to remove controls of labour/ trade unions. So that industry becomes competitive. However, the New Industrial Policy is totally silent on any change with respect to existing labour legislation so as to improve performance, but it may be only implied from article 16 of the New Industrial Policy that if workmen refuse to undergo training, they can be retrenched without obtaining Government approval.

1.6 Voluntary Retirement Scheme (VRS): Voluntary Retirement Schemes are presently being adopted mainly by managements of enterprises that are healthy and want to restrict/restructure their workforce. The reason for coming forward with a Voluntary Retirement Scheme could be many, some of them are listed below :

- i) Discontinuation of an existing product, process, pack size.
- ii) Replacing of existing plant and machinery with new high speed
- iii) Machines.
- iv) Use of substitute raw material.
- v) Incapability of existing workforce to sustain high output norms.
- vi) Refusal of existing workforce to learn and acquire new/higher skills for working on new equipment and/or new process.
- vii) Opposition by unions/workmen to implement change.
- viii) Inability of management to get changes implemented through existing workforce.

If the amount of money being offered under Voluntary Retirement Scheme is attractive then individual workmen have accepted such schemes. The reasons for workmen accepting a Voluntary Retirement Scheme can be many, some of which are listed below:

- i) Fear of loss of job at a later date.
- ii) Reluctance to acquire additional skill.

- iii) Being able to take up another job (only possible by workmen having skills that are in short supply).
- iv) Being able to start/join a business.
- v) Wanting to expand/concentrate on an existing side business.
- vi) Concentrate on domestic activity in case spouse is working.
- vii) Ill health.
- viii) Pressure from peer group
- ix) Pay off debts.
- x) Availability of fund for buying apartment/education of children/marriage of daughter.

There are workmen who oppose/remain neutral towards Voluntary Retirement Scheme and some of the reasons are listed below:

- I) Voluntary Retirement Scheme amount is not adequate and the enterprise will have to come forward with a new Voluntary Retirement Scheme.
- II) The law of the land is such that the enterprise cannot retrench because Government will never grant permission.

Arising out of the New Economic Policy and the implementation of Voluntary Retirement Scheme some of the consequences are as follows:

- i) Shift in employment from large and medium scale to small scale sector
- ii) Increase in self employment
- iii) Requirement of higher skill for jobs in large-scale sector
- iv) Need for counseling the workforce beneficiaries of Voluntary Retirement Schemes on proper investment of the compensation amount so as to avoid squandering.

- v) Likely solidarity amongst the trade unions on opposition of Voluntary Retirement Scheme.

1.7 The Present Scenario: The new global economic scenario has created enormous competition for the survival of the organizations. Thus posing several new challenges to the HRM specialists. The entry of multinationals has been posing a threat to the domestic companies with similar product configuration to retain their managerial talent. At the same time the public enterprises and govt. owned organizations are burdened with surplus staff as well as negligible managerial talent and less motivated workforce. Thus, the corporate sectors are facing a death of good people where as the private sectors have been realizing the need to provide better jobs and packages. At the same time total quality management (TQM) has become the sole factor for survival and success of the organizations. Implementing TQM needs an attitudinal and cultural change among the employees. Hence, the role of HRM specialists is ever expanding and several new HR issues are emerging. These issues are different for public sector and government owned enterprises and also different for highly successful private organizations.

1.8 Indian Scenario: 1. A work culture devoid of human considerations including dignity of labour together with mutual effort by the employer and the employees (whether in the public sector or in the private sector or in the social welfare areas) to exploit each other consciously or unconsciously in the interest of creating 'one up manship'.

1. Lack of concern towards productivity, quality and service.
2. Each one whether he is a labour, or an entrepreneur be it is industry or agriculture, he is fully conscious of his right without any concern for his obligation.

1.9 Industrial Unrest : a). Tremendous unemployment as a consequence of galloping population increase is one of the major causes for bringing frustration to the young working population. It is therefore imperative and almost essential to create employment in every sphere of activities to avoid a major social disaster.

b) Consequently, hoping the good sense will prevail under compulsion or vision, there will be tremendous opportunity for training and development in due course. My own vision is that trg. & devt. effort will be more in the areas of skills. Lack of literacy, unemployment, population explosion are causing serious problems to any development effort.

c) There will be more and more pressure to establish parity of income between the blue collared and white collared employees.

d) Agricultural labour will soon be organized group by group and demand for minimum wages at subsistence level and will be more vocal.

e) Resolution of disputes or differences in the industrial relations scenario will be more and more through voluntary negotiations and/or arbitrations rather than taking recourse to law.

f) Legal intervention or enactment of numerous laws to bring about changes in the industrial relations scenario will be comparatively less as against the earlier decades.

g) Government and social philanthropist including progressive employers must come forward to bring about reorientation in the total education system where more and more emphasis will be given for securing knowledge rather than procuring a degree/diploma for a job.

This modernization coerces humans to adapt to present times, conditions, and needs. It is inevitable & irreversible process. In today's world, modernization in industries is basically in the form of technical advancements. Computerization is one technology which has had the greatest impact. Automation, another form of advancement replaces humans with machines. Continuous improvement of products and redesigning the organizational structure have been other facets of modernization. This onset of modernization has created heightened competition between organizations thereby opting for high growth and dynamic strategies.

Inherently, there are certain off-shoots of this process of modernization. The Companies which go in for changes have to re-engineer their organizations. They opt for techniques like delayering, reorganization, rationalization, etc., thereby causing a host of human issues in addition to operational, financial, and other strategic issues.

Problems like retention, retraining, retrenchment of employees may be very much evident in such modernizing organizations. Therefore to keep pace with technology, these organizations help adapt their employees with the changes. But it has been found through various researches that individuals and groups in an organization resist change for a number of reasons.

Apart from the factor of resistance, the complexity of modernization is also marked by workforce diversity. No amount of communication, re-education, or techniques to change are helping the innovative companies. The Government of India has stepped forward in this direction and formulated exit policies like the National Renewal Fund (NRF) and Voluntary Retirement Scheme (VRS) in order to help organizations rationalize their workforce without tears.

Unless the fundamental steps towards solving human issues at the earliest are corrected/taken, the Nation will continue to remain complacent to all development efforts and human resource will only increase in number and not in quality heading more and more towards a disaster. A good number of studies have not been conducted in this area. This area of human issues should therefore be considered as one of the priorities for research in human resource management .

Because of the importance of the topic & self interest in the topic, the researcher decided to study further in an Indian environment.

2.0 Trends in Human Issues in Indian Industry:

Indian industry in general, and the personnel function in particular, will open new horizons and avenues in the future. The topic under question deals with future trends in personnel problems and issues in Indian industry, & it does not cover issues related to technology, raw material, electricity, etc, though it is evident that these do, to an extent, influence human behaviour. This is illustrated by the Hawthorne experiment on the effect of illumination on human relations and productivity. Those trends in industries that have direct relevance to personnel functions and practices, the current status of personnel functions and their growth pattern, and also the forces that appear to have been most influential in the past in identifying such trends are considered here.

One clear trend concerns joint decision-making. From largely paternalistic efforts to help needy employees solve their personal problems, industrial organizations in India have moved to a joint consultative process of decision-making which influences employees. Whether this has been brought about by governmental legislation, or trade unions, or voluntary acceptance by the employers is not the question. Since the first seminar on Labour Management Cooperation in 1958, workers' participation in management has gradually increased at all levels; policy

formulation, implementation and evaluation. The Government Resolution of October, 1975 envisaged workers' participation both at the shop floor level and the level of the undertaking. The 1958 Tripartite Seminar drew attention to this sentiment when it pointed out that:

The seminar was convinced that joint councils will thrive only in an atmosphere of mutual confidence and goodwill. It took note of the gradual improvement in the attitude of employers and the trade unions towards each other but felt that there was a need for continuous educative work both on the side of labour and management.

The 1975 Government Resolution attached considerable importance to communication within the undertaking and felt that if joint councils worked in the proper spirit it would ensure the involvement of workers in the effective functioning of the unit, thus improving production and productivity.

The scheme has not worked very well in the past. It has suffered from such drawbacks as resistance by management, multiplicity of unions, role conflict of nominated workers, lack of clear boundaries with other similar schemes, and poor feedback from representatives to workers. However, significant progress has now been made in the implementation of the scheme. According to a national survey by *Samachar*, two and half million workers have been covered under this scheme in organizations employing a hundred or more workers. Since the profile of the Indian work-force is changing with education and an increasing awareness of its rights there will inevitably be greater demand for joint participation in management.

Today, organizations are optimistic about the labour situation; labour procurement is not a great problem. However, with the growing awareness of the advantages of

family planning and new programmes to motivate people to have smaller families, the labour market may not remain the same. Even if it is possible to get sufficient labour, organizations will continue to face the problem of getting sufficient technical hands and skilled professionals. The fourth Five-Year Plan projected a demand for four lakh managers during the plan period. The disparity between the demand for and supply of professional managers will widen over the years. The few management institutions and departments of management in universities only produce between one thousand and two thousand graduates per year, mostly without work experience. A recent employment trend of the Indian Institutes of Management at Ahmedabad, Bangalore and Calcutta shows approximately three jobs for each graduate, revealing the need for managers. Without doubt, in future more trained professionals will be required. If the feeder institutions are not in a position to supply them, then the organizations themselves will be required to institute training centres to shape raw graduates. Various banks and government undertakings such as the Heavy Engineering Cooperation Limited, the oil and Natural Gas Commission, and the Hindustan Petroleum Corporation Limited already have their training centres, where, in addition to giving technical training, they have started courses in management. The state electricity boards propose to initiate and establish their own schools of management training. During the inauguration of the Personnel Management Programme sponsored by the Uttar Pradesh State Electricity Board at Roorkee in June 1976, its Chairman announced the setting up of an institution of management to train its employees.

A growing acceptance of behavioural science, especially aspects related to needs, motivation, satisfaction, and expectancy, has played a major role in promoting the new theory of management. Most organizations have become increasingly aware of the significance of human hopes and aspirations and are now willing to consider them while decision-making; they are also reconsidering and restructuring their training and management development programmes

accordingly. A comparison of the old and current brochures and training manuals of several organizations clearly indicates new inputs in the training contents. A number of sessions are devoted to human resources management in each functional programme. Sensitivity training, interpersonal relations, superior-subordinate relations, and communication are some areas that are added and/or emphasized in these programmes. This is in addition to specific full length programmes on human relations in industry. The number of executives sponsored by organizations to attend programmes offered by the three Indian Institutes of Management, the Indian Society for Applied Behavioural Science, the National Productivity Council, and the All-India Management Association and their local bodies and other agencies, is increasing. In future, human factors will have to be taken into greater account in running organizations.

Another recent trends is the growing awareness of organizations of their social responsibilities and community relations. A number of organizations, particularly the Tata Iron and Steel Company Limited and the Tata Engineering and Locomotive Company Limited are now spreading themselves to their employees. Business owes its existence to the community which creates and supports it. Since it is a part of society, its gains from society should match its contribution.

The Declaration of Social Responsibility of Business emphasised that business should be fair and human, besides being efficient and dynamic. Modern business has manifold responsibilities – to itself, its customers, workers, shareholders, community, and the State. Though it is relatively new in India, this attitude will pick up very fast because it has direct relevance for workers. Social responsibility is expected to make inroads into society and the employees. Better working conditions and a congenial work environment will be expected by workers particularly because the concept of the quality of life has assumed importance.

Human issues relating to other functions will centre around selection, evaluation, internal mobility, etc. With family traditions breaking and organizations becoming more complex, merit rather than affiliations will be the criterion for personnel selection. Organizations will have to adopt job related techniques of selection and will probably have to demonstrate the validity and reliability of their selection instruments. The traditional method of confidential reports will be replaced by process-utilization-oriented methods. Here both the outcome and the process will be the focus of the year-end evaluation. Techniques such as management by objective and performance budgeting will become common because they will take on the painful job of communicating negative evaluation and will place the burden of evaluation on the employee himself. Merit rather than seniority will be the criterion for promotion. With more young managers moving into the higher levels of an organization, the average age of top level managers will decrease. These, then, seem to be some of the future trends of personnel practices and policies in Indian industry. With these changes, role modification of the personnel manager will also become necessary.

Everyone must accept that any plan of modernization/technology updating must be preceded by manpower planning including training and retraining of the existing workforce for better utilization in the updated technology. Without this, the Industrial unrest which is contrary to the total quality movement and higher productivity will have serious concern and the parties will continue to blame each other without any consequences. It appears that human resource managers all over the world are confronted with the problems of human issues which are more or less the same but different weightage is given to them in developed & developing countries. This study represents an attempt to answer these questions:

3.0. Rationale for Study:

In order to overcome the complexities attached to modernizational change, one requires to have not just macro-level planning in human resources but adopting standard human resource practices, strategies, and interventions at the organizational level is equally important. In addition to the traditional techniques for managing resistance to change, we have to find out innovative strategies, we have to optimize things without damaging human resource as they are the chief investments. Or else they will turn out to be liabilities on the society. Whereas modernization is imperative part of globalization, we have to globalize our thinking, knowledge and skills to manage and develop human resources by adopting globally successful human resource practices, strategies, and systems to deal with issues.

Although there have been a number of attempts in public – sector and family-owned businesses to manage human issues, there is a need for carrying out a full-fledged systematic study on this crucially important aspect of modern days. We therefore propose to study a couple of organizations from public-sector and from private-sector global companies in order to make a comparison of their respective human resource practices. Thereby drawing certain standard benchmark and innovative human resource practices, strategies, and interventions to manage these human issues successfully.

4.0. Importance of the Study :

- 1) The primary end-user of the study will be the individual industries and all such organizations where in are facing human issues in the wake of modernization.

- 2) In the area of academics, the resultant work can fill the gap between theory and practice. It can bring closer the interface between education and industry.
- 3) It is believed that the findings of this study will also throw some light on the decision-making behaviour of the human resource managers and entrepreneurs & enable them to take necessary steps.
- 4) This investigation also proposes to identify those reasons/factors which if properly instituted and manipulated may lead to an improved management of organizations.

CHAPTER-II

MODERNIZATION

The Twenty First Century is knocking at every door that we have to Rapidly improve our tools for modernization because those tools that were bought then are no more suitable and relevant for 21st century. It requires Leader managers who are Courageous, Courteous, Committed and Competent to adapt to modern technologies. Today, one of the major forms of **modernization** strategies is technology. Incremental advances in product technology and timely commercialization of that technology have created competitive conditions. Successful companies today are aggressively adopting technology from the world and integrating it effectively into other sources in their organization.

With the world scene changing as never before, India could not afford to lag behind. Thus 1991 saw the era of liberalization and deregulation unfolding in India. Though the process was slow, it was not without its pangs. The Indian business was alarmed by the prospect of competition, particularly from the multinationals. The entry of global players with tremendous financial muscle and advanced technology was too frightening for the Indian business so long used to living in its own world. The multi-directional skills are essential in today's competitive modernization. The workforce is more diversified with a younger profile, with more and more women, and a higher turnover ration. Recruitment of employees should be based on those most likely to stay, or persons meeting the desired values of the company, rather than only those who are high performers.

The attrition rate must be low. Retention of employees in the fast-changing dynamic business world is a major challenge. There is a need for inter-cultural training with cross-cultural dimensions. This requires a higher sensitivity,

preparation and change of the mindset, adapting to local requirements, reducing the culture shock, building rapport, trust and confidence and reducing stress.

Human resource development must be linked with organizational mission, business strategy and goals. Strategic thinking by the organizations is essential to their survival and growth. Organizational restructuring with focus on employment of the human resource through part-time working, out-sourcing, flexible timings and so on needs to be done. 'Rightsizing' rather than down-sizing has become an imperative for the companies. This requires a human touch. Redeployment and productive deployment of the manpower is a serious challenge. Exit policies, doing out-sourcing through ex-employees, helping the ex-employees to become vendors or their partners are some initiatives calling for special change management skills. The mind-sets and attitudes require to be changed through education and training. Employees' commitment and involvement will have to be increased. It is necessary to empower the employees, based on the promise that a front-line employee is the best judge of the decisions required in any situation. Enhanced productivity has to be insured through teamwork and changed priorities of work. The company must also facilitate high performance by providing an excellent work environment.

Improved systems of appraisal of performance are required. Preservation of internal equity in rewards is perhaps the biggest contributor to employees' satisfaction. Every element in performance needs to be adequately reflected in the compensation packages. Teamwork being the major mode of functioning, appraisal systems must take into account the team contribution rather than individual performance. At the same time, the company must provide the best environment for qualitative and quantitative performance. Such above changes put together give a name of modernization.

1.WORLD SCENE & LABOUR:

1.1. Global World: Effective use of information technology in human resource management is both a challenge and an opportunity in modern technology. Information technology has perhaps been the single most powerful driver of the modern business environment. This requires us to have inductive thinking rather than deductive thinking, use of networking skills, instant updating capability, and use of shared databases. Expert and decision-support systems are available but we need to permeate in the people the skills to use these effectively. Another area of skills is developing the cultural sensitivity. In this **global world**, organizations are not only multinational, trans-national, but working across cultures. Above all, a sense of belonging and commitment has to be developed in the employees. This is an area where we in India have always been found wanting.

Another critical area is the recognition of training as a strategy for corporate growth. The investment in education and development of people has to be more significant than the present negligible quantum. The world best in this area is 40 days per year per employee, whereas the figure in most Indian companies is insignificant.

Corporate health is another area of concern for organizations. With the pressures of organizational life, the high stress, and pressures of the urban life, it is necessary to help the employees to maintain physical well-being, good health and active minds. We also need to provide on-site modes of reducing stress.

"The problem before us is not to invent more tools but to use the ones we have." Thus, the present environment wants us to work not only with new concepts and initiatives, but to renew our age-old skills with the twin aims of task-orientation and relationship-orientation.

This sea change has affected all facets of human existence and behaviour and posed new challenges for the people at the helm of affairs. The corporate scene is one of confusion and chaos, with competition and customer-orientation becoming the focus. There are new strategies as also new concepts to help the corporate. The human resource managers face tough challenges in meeting the requirements of corporate effectiveness and mission achievement.

1.2. Today's Young Workforce & Global Market : Today, the study of labour has passed through a phase wherein workers or employees are looked upon as industrial citizens. This concept has led to the concept of industrial democracy which implies self-government in relation to employer-employee relationships in a constructive endeavour. the industrial worker of today has acquired a dignity not known to his predecessor. He is no longer the unskilled worker of the days gone by. He has now a personality of his own. Still the mindset of employer on labour is feudalistic.

The Trade Unions are changing their strategy. Now they are planning to shift from confrontation to defense. They will now gear their efforts towards job protection. Further, unions now look into the corporate performance. There are many in the trade unions who are conversant with reading a balance sheet, which is totally absent in HRM profession. In their demands. TUs are bringing innovativeness. Today's young workforce is intelligent and educated. If they are knowledgeable, if they are individualistic and seek autonomy in job, the workforce is alienated, look for flexible working hours and more leisure. Self esteem and pride is high among them. They would like to be associated with decision making process. They question and challenge every move and action of the management. They are less committed to work, believe and practice and agitational approach. For them there is no regard for rule of law. They are career oriented and demand time-bound promotion. This is, by and large, the profile of

the new generation workforce today. Industrial employees of organized sector now belong to the middle class. Their purchasing power is formidable. Investment in capital market is the new area where employees show interest. **HR Managers** should be conversant with this branch of modern knowledge, as well. Computers have come to stay. They are introduced in every branch of activity in industry. In the modernized industries CAD, CAM, CNC and even CAI and CBL are used. It is therefore necessary for the HR Managers, to come out working with a computer literacy.

This 21st century will have lot more surprises for the modern industrial community. The world trend in the global market is changing rapidly with sophisticated information technology capturing distances. The interdependence of activities, rapid speed and increased time pressure make it inevitable to articulate organizational goals, initiate constructive climate and to promote participative performance. This process involves moving from competition to cooperation within the organization and evolve partnership through mutual trust and good faith. As organizations within the turn to high involvement strategies to stay competitive, first HR Manager should interact with top management more often, and convince that the employee is not a cost center but an investment center. More sophisticated cost / benefit analysis techniques should be developed to demonstrate HRDs economic impact. Some low-skill jobs will disappear as their functions be performed by automation or mechanization. People will live longer and as the workforce grows older, the retirement age will increase and the pool of entry level workers will shrink. As the number of women in the paid workforce increases the number of dual-career couples will increase. HR Managers should develop support services for dual-career couples.

1.3. Indian Markets Facing the Intense Competition: The rapidly increasing pace of technology is making available a whole range of options of state-of-the art

technology. In particular, the advances in telecommunications and in computers have virtually made this world to shrink.

There is tremendous awareness in the customers. They have a new-found independence and diversity. The enterprises have now to be customer-driven and customer-regulated. This entails better quality of products with more features ; in other words, delivering higher quality at lower prices. After-sales service is an important requisite. Another important factor is the changed values of a much younger workforce, which has a higher job mobility; and much higher expectations from its employers. These changes have also forced the organizations to shift from highly centralized to de-centralized functioning so as to be able to adequately cope with the environment.

Restructuring of the business portfolio of finances, or of the organizations themselves is another major strategy. With a whole lot of new opportunities, the business product mix has to be changed to capitalize on these. Financial restructuring or financial re-engineering as it is also called, is an important strategy. The tremendous success of the Reliance Group is attributed by many experts to this strategy.

Technological upgradation is of course essential due to the rapid rate of obsolescence of today's technology. As hardly any area of human endeavour has been left unaffected by the advances in information technology, on-going upgradation is essential. This also brings to fore the need for continuous innovation, an area largely responsible for the Japanese success.

To improve the bottom-line and to be able to provide higher value to the customer at lower cost, different cost-reduction initiatives have been taken seriously by many organizations. This also gives them a competitive advantage.

Change management is both a strategy as also a skill area. Change and competition have brought in the need to focus on the customers, customer-orientation turning to obsession; customer-satisfaction being enlarged to delight. The essence of all this 'deliver higher value at lower cost', entails a focus on quality. The need for professionalization of the management and a change in the work culture are all the more pervasive.

2.0. Relationship Between Technology & Marketplaces

Changes in the global economy since 1980 have been nothing short of awesome. Govt. sponsorship of technological advances has accounted for much of the increased competitiveness of European and Asian companies. Japan was able to change its competitive role as a result of technology. One of the principal reasons for Japan's success in the global marketplace is its ability to incrementally advance the technology in its products & processes, even though most of its technology has come from other countries' changes through constant interaction with the marketplace and with research communities to find out what other companies & other countries are doing. Japanese researches interact with product designers, marketers, & manufacturing engineers effectively. These interactions are both professional & personal, bypass the formal organizational hierarchy & help ensure that a technology is given through analysis and review by key managers & professionals in the company. Technology transfer is accomplished through the "people links" that grow out of these professional & personal interactions. The liberalization of technological trade also results in further surge in joint ventures and strategic alliances between technological companies. The ability to effectively & efficiently manage technology has become a strategic issue for organizational competitiveness in 1990s.

Positive attitudes towards technology are important in propagating & developing an organizational culture that facilitates & rewards creativity and innovation.

Other **attitudes and actions** that are important in influencing the effective improvement of an organization's technology include:-

- i) Predisposition to ruthless research & action to determine how & when existing products & processes can be made obsolete through development & application of new technologies.
- ii) Realization that the pursuit of technological improvements is hard work, and that managers must provide the leadership and encouragement to turn insight into something that will sell in the market place.
- iii) Acceptance that any technological advancement provides but a fleeting advantage in the marketplace.
- iv) Extreme caution in assuming that a big-bang technological improvement is just around the corner, which will give the company a commanding lead in the marketplace and devastate the competition.
- v) Belief that the world is where new technologies emerge ; thus moves to license the technology or acquire it through other means such as strategic alliances are necessary
- vi) Recognition and acceptance that customers & suppliers play key roll in improving product & process technologies.
- vii) Recognition that the best competitive strategy is to avoid competition altogether, by designing & setting products & supporting processes that rivals can't match.

- viii) Recognition of the need to fully integrate strategic & technological planning within the organization

Technology has always been a consideration in the marketplace. Today, there are important links between a company's ability to commercialize technology & its competitiveness in global markets. A new technology is soon noticed by existing or would be competitors, who quickly move into license and match it as soon as possible. Also, technology is becoming increasingly expensive. The ability to quickly commercialize technology is becoming as important as traditional factors such as economies of scale, qualified personnel.

More than ever before, commercializing a technology depends upon company's ability to coordinate its different disciplines for a concurrent design of the product and the supporting processes. Successful & timely commercialization of technology requires commitment from all levels of an organization, from the board of directors to the workers & professionals who plan and apply the technology at the point of performance. The expeditious commercialization of technology requires a disciplined, deliberate strategy implemented across the length & breadth of the organization.

3.0. Strategic Technology Management (STMS)

Strategic technology management means the management of technology considering the long-range future of an organization. STMS means that the management of the product and process technology in an organization is done from a long-range perspective, since that technology effects all levels and disciplines in the organization. The purpose of STMS is to integrate some of the various aspects of technology management so that technology managers are better able to understand and manage the change process. It plays a major role in industry structural change as well as in creating new industries. It is also a great

equalizer, eroding the competitive advantage of even well-entrenched firms and propelling others to the forefront.

Successful strategic management of technology requires two basic types of people:-

- (i) Leader, who find improvements for products & processes.
- (ii) Managers, who deal with the complicities of incrementally advancing the technology into products & processes.

Leading companies utilize strategic management of technology, in both products & processes. There are basically 2 types of technologies. (1) Core technology that goes into making the product or providing the service & (2) Support technology that supplies the product or service. Advance in core technology of a product or service requires an assessment of the methods used to manufacture, market, & service the product after it has been delivered to the customer. Introduction of a core technology in a new product sets in motion reverberations likely to impact on all key support technology functions that get the product produced and into the hands of satisfied customers. Support technology can help, solve or alleviate problems in providing services to customers.

The strategic management of technology cuts into the wrap & woof of the organization. It also gets down to the individual job planning for people who can apply the required level of technology to make competitive products and services for their internal customers & ultimately for the final customers. Management must accept that the final idea that changes in technology affect everyone in the company, even those who at first glance do not seem to be influenced.

The STMS delineates a system's life cycle for technology management that includes eight phases : creation, monitoring, assessment, transfer, acceptance,

utilization, maturity and decline; each phase consists of a number of critical issues that must be managed for a firm to successfully control its product or service and process technology projects and programs.

3.1. Technology Creation:- is the act of making, inventing or producing a product or service and process by means of technology or an extension of technology not previously utilized. Creation also involves the effective management of the innovation process. Invention triggers innovation. Thus, innovation is the only application or introduction of the results in the invention. Not all inventions are successfully innovated. One of the most important issues in this phase of the STMS life cycle is the ability of an organization, to be creative and innovative in its research & development efforts. The challenge for the technology manager is to direct the organization to stimulate invention, then to successfully manage the innovation required to bring that invention to the marketplace.

3.2. Technology Monitoring:- is the scientific and orderly review and recognition of emerging technological opportunities, found in relevant data bases and information systems as well as through competitive analysis. This review is done to gain knowledge about the technologies of interest to an organization and its customers. Monitoring can also be done through various customer and supplier interfaces and other people links.

Monitoring of the technology is the best way to avoid stagnation of R & D efforts and discourage a "not invented here" attitude. Companies should make technology monitoring a key part of their technology management strategy. Technology monitoring is imperative for firms driven by technology, in part because of the shortened time between scientific discovery and commercial use.

3.3. Technology Assessment:- involves the identification & consideration of the technological needs of the market & organization & the organization's ability to respond to those needs. Assessment determines the contributions that a proposed technology project will make to an organization's business strategy, thus integrating its business and technological strategic plans.

3.4. Technology Transfer:- is the actual packaging and movement of a technology from the R&D lab or other source into the organization. Two means of technology transfer are the product design team and the strategic alliance. These product design teams are composed of individuals from R&D, design, manufacturing, marketing, purchasing & other functional groups and are assigned to develop a specific product. Strategic alliances are numerous sources of new technologies. Recently there has been growing use of strategic alliances (joint ventures, research consortia, acquisitions, mergers & technology licensing), to assist in the transfer of technology.

3.5. Technology Acceptance:- involves adopting new technology and the changes that the technology will bring to the organization's plan and strategic as well as to its product or services & processes. Acceptance of new technologies, particularly when developed externally, often requires reducing the "not invented here" (NIH) syndrome.

3.6. Technology Utilization:- is the actual use of new technology in products and processes. This phase of the STMS requires consideration of the explicit processes needed for putting the new technology to use. It involves developing prototypes & preliminary plans, and formal introduction, manufacture, & distribution of the new products or services & processes.

3.7. Technology Maturity:- Technological changes occur most often when a product or process reaches a given level of maturity. Movement into the maturity phase indicates that the technology and its markets have stabilized and that improvements and advancements will be minimal. It is extremely important to an organization's strategic technology management that managers recognize the indicators of a mature technology.

3.8. Technology Decline:- occurs when new technological opportunities begin to emerge & replace existing technology. In a sense, technology never declines; it simply becomes part of the foundation of an existing technology, to the point where further advancement in the art is possible.

4.0. HRM Challenges of the New Indian Environment:-

4.1. The New Environment:- The Indian environment has gone through dramatic change since July 1991. This is radically different from the earlier changes. It is not incremental change, but a quantum jump. Even the word "change" appears inadequate to describe it. It is a "discontinuity". It is primarily a positive discontinuity. It promises many more opportunities than threats for all stakeholders in the Indian economy. The major components of this transformational turbulence are:

- a) Near elimination of industrial licensing
- b) Removing the shackles of other restrictive controls, such as MRTP, FERA, etc.
- c) Freer access to capital markets.
- d) Lowering the tariff wall making imports more accessible.
- e) Policy support to exports and international business. including partial convertibility of the rupee.
- f) Restructuring the public sector.

- g) Removing rigidities in the economy to facilitate productivity and growth.
- h) Accepting rewards for success and the costs of failure, including exit. India has finally joined the rest of the world.

4.2. HRM Challenges: The new environment poses significant challenges to the top managements of Indian industry. These exist in all areas of management technology, manufacturing, quality and finance. Fundamental to all these areas is the **human factor**. So, Human Resources Management has to be recognized as an important competitive factor. Six major challenges for HRM in the new environment appear to be recognized.

- (a) Better planning for HR. (i.e. Planning for HR)
- (b) Compete for better quality HR (i.e. Quality HR)
- (c) Pay more attention to caring for people and retaining them (i.e. Caring for People)
- (d) Accelerate development of HR (i.e. HRD)
- (e) Make much better utilization of HR.(i.e. ROI on HR)
- (f) Prepare for the inevitable separations, and handle them more sensitively (i.e. Managing Separation)

a) Planning for HR:- Interestingly, as the state reduces its bureaucratic planning , industry has to increase its entrepreneurial planning. Inadequate business planning in the past has led to the following accumulated backlog of problems in HR.

- (i) Pockets of overmanning, especially in unskilled and semi-skilled blue and white collar workforce, Mr. B. N. Agarwal⁵ said that many companies are opting for flat management structures, preferring flexible work and decision making teams to a rigid hierarchy. Business

is identifying areas of core competencies, merging and buying & selling units to suit a future profile, looking constantly for an efficient organization and better bottom lines. The process cannot be bloodless. There is an anguish as jobs are redefined or lost, and businesses are closed and down-sized. Due to restructuring, there may be problems like overmanning, restrictive working practices, etc.

- (ii) Simultaneously, pockets of shortage in skilled categories of workers and executives.
- (iii) Imbalances due to restrictive practices, resistance to technology and methods improvements, inter and intra-union rivalry.

b) Quality HR:- In a highly regulated environment, companies were either not concerned about the quality or any resource technology, equipment, materials or people. More recently, they have been realizing the need and advantages of better plant and materials. Now, they will need to pay greater attention to the quality of their people. This has two parts. One is upgrading the quality of their existing people. The other is to attract better quality personnel. It would be simplistic to suggest that every company should have the “best” quality people. They will need to go in for relevant quality. However, the quality standards themselves, for each industry, will keep going up.

c) Caring for People:- Retaining HR will be more difficult in the new environment for the following reasons.

- (i) Demand for quality HR has suddenly escalated. It will take some time for supply to catch up. So, companies will not only compete at the entry, but also try to attract HR from other companies.
 - (ii) Capable individuals will seek better opportunities outside, if not satisfied with their present organization. Their dissatisfaction may arise from poor treatment, low compensation, suffocating atmosphere and inadequate job challenge.
- d) HRD:-** This term has come into wider use. A major point, here is that HRD is a necessary, but not a sufficient condition for effective HRM. Planning is necessary to get the right age and skill mix of HR, on whom the HRD investment is made. Strategies for attracting quality HR are essential, because they can absorb HRD better. The role of maintenance is preventing damage to HR, even before we talk of HRD. A little less development , but better utilization is to be preferred to the alternative of more development, but less utilization.
- e) ROI on HR:-** In the new environment, HRD is not just an act of faith, but as necessary a business investment as that on tangible fixed assets. The organization is entitled to expect a return on this HR Investment. However, HRI return is not automatic. It could be lower than expected due to organizational and individual problems. On the other hand, the HR is an autonomous live resource, which could deliver much higher returns. A great deal depends on how it is utilized.
- f) Managing Separation:-** It is an inescapable reality of organizational life that people will leave at some point. It is also a necessity so that others can join.

Actions on all the above six challenges have to be continuously evaluated through periodic feedback, in a competitive perspective.

The Indian corporate sector is in a state of turmoil. This decade has seen the globalization of business with intense competition amongst the local as well as the international players. We have moved away from the sellers market to the customer-driven market. The boundaries have practically disappeared.

This change has not come upon us suddenly. Since the eighties, futurologists like Alvin Toffler and John Naisbitt had given us sufficient information and timely warning about what lay ahead. The change from the Industrial Society to the Information Society, the transformation of the world into 'a global village', as also their implications, had been accurately predicted by them. The impact of these changes on the human resource in organizations and the challenges faced in human resource development have been analyzed and discussed.

The whole world is now a market. This globalization of the markets has generated fierce competition from domestic as also the international players. Higher quality, enhanced productivity effectiveness of organizations and development of global markets. As always, technology, particularly electronics and information technology, has been a major driving force, making this world virtually a borderless society. As John Naisbitt says, "Electronics has become the common currency of the world." While many new challenges have emerged, in a way, we continue to face the old challenge of the organizations to maintain a good fit with their environment.

5.0. JOB HOPPING

In the mid'90s, most of the organizations are posed with a somewhat unanticipated problem. There is an upsurge in the number of employees who are leaving their jobs for better ones offered by other organizations. This problem has been termed '*Job Hopping*'. This disease has spread at such a rapid place that it is 'slowly becoming a rule rather than an exception'.

Today, retaining the qualified manpower is undoubtedly the greatest challenge-faced by organizations. HR Managers are in a dilemma as how to solve this problem. The question arises: Why do people leave organizations ? How do you go about retaining them . Usually the reasons for job-hopping are far more serious than poor salary as some of them are given below :

- 5.1. **Location factor:-** Many a time employees look for a change if the existing location does not provide adequate facility for education of children and health care. A care and concern for these things will facilitate retention. Hindustan Organic Chemicals Limited is one of the many organisations which has been able to retain people for many reasons but predominantly for a good school and a model hospital for its employees.
- 5.2 **Attitude of employer:-** The problem could stem from the way employees are managed in an organization. This stresses the importance of line managers in managing human resource. Often human resources are equated to other resources like money, raw material and treated alike.
- 5.3. **Job not challenging:-** Many leave organizations because their existing job does not provide enough satisfaction and the challenge to provide

their mettle. There are many for whom money may not be a major consideration but they look for a work environment where they are in a position to demonstrate their competence & have satisfaction of contributing something worthy.

5.4. Stress in Job:- Sometimes stress in job and unpleasant working relationship leads to employees leaving the organization. Since 1991 from HM Ahmedabad exodus of 23 out of 61 faculty members can be attributed to this factor. It is ironical to note that one of the premier institutes in management is greatly mismanaged.

5.5. Domestic Compulsion:- Many a time employees leave an organisation due to domestic compulsion. If there are pressing domestic commitments and one finds it difficult to attend to these from the existing location because of frequent leave, frequent expenditure on travel and he does not get direct or indirect support from the organization, he decides to quit the job and move to a nearby location. Innovative managers should find a solution to such issues. They could help such employees by combining tour with personal engagements, temporary transfer to nearby places or grant of leave in order to retain them.

5.6. Flextime Work System:- Many organizations are attempting to introduce the concept of flextime at corporate and head offices in particular. The intention is to reduce the feeling of mechanical life style for the staff. The flextime system believes in the concept of two phased working, that is, the core time of about four hours where everyone is present and the remaining four hours flextime.

- 5.7. Training:-** Most employees look forward for an opportunity to undergo training in their organization to enhance their career pursuit. Such training imparted by organizations would better equip them in for a promotion in the organization. Many senior managers too who are identified as ‘Star’ performers are sent abroad for training.
- 5.8. Identification Process:-** People also look for a change if there is a cultural barrier and assimilation process is not smooth. Therefore importance is being laid on seeing that new recruits know the organization in totality so that they adjust in the organization and are not unfamiliar with people, product, process & procedure. As such importance is being given on socialization and building an identification with the organization..
- 5.9. Entrepreneurial Activity:-** At times it is observed that many talented and enterprising employees look for greener pastures in business of their own. Organizations should support such entrepreneurial activity and allow them to show the creative spark by letting them develop new projects and products.
- 5.10. Plateaued time in career:-** Repeated promotions may bring a situation where no further advancement is possible for such employees. These employees who have no more growth prospects might enter a ‘plateaued’ time in career. They have no hopes of climbing the organization ladder. Some of these ‘plateaued’ employees might after a serious introspection even decide to change their jobs. Since some sort of ‘plateauing is inevitable at some stage or the other, a manager must create the right attitude in the employer’s minds for

such an eventuality. Restructuring or redesigning a job might do the trick sometimes to make an employee feel satisfied and happy.

6.0. INDIAN ORGNISATIONS: VALUES AND CULTURE

I briefly examine the culture and the values prevalent in Indian organizations.

6.1. The international sector manager is characterized by high individualism and high masculinity, whereas the private sector manager is characterized by low individualism and low masculinity. The major characteristic of the public sector manager is uncertainty avoidance coupled with low masculinity. Thus, a typical manager in the international sector in India is assertive, values material wealth, and is more concerned about self and his family rather than a large group to which he may belong. A private sector manager on the other hand is accustomed to think in terms of 'we' rather than 'I' and is less assertive. The distinguishing characteristic of a public sector manager is his ability to live with uncertainty in the face of stress. On the degree of rule orientation, however, he is no different from his counterparts in international and private sector. The differences clearly indicate that managers in public, private, and international sector represent three cultural sets almost like three cultural islands. These differences have implications for the choice of HRD mechanism. The new environment poses significant challenges to the top management (whether private sector, public sector or international sector) of Indian Industry. These exist in all areas of management-technology, manufacturing, quality and finance. Fundamental to all these areas is the human factor. So Human Resource Management has to be recognized as an important competitive factor.

6.2. **International HRM:** The following are five key areas that require more attention in the context of International human resource management :

- a) **Selection of Personnel:-** Several large companies move executive around the world and also do on campus recruitment in order to do the best selection.

This means that person selected should be mature and emotionally stable while possessing all relevant managerial and technical competencies. Many firms use interviews, tests and assessment centers for selecting managers.

- b) **Orientation, Training and Development:-** Global managers must be more versatile, more sensitive to global issues and make faster inroads into the new social milieu. Recognizing this, many successful firms focus on providing additional orientation, training and development activities for their international staff. The orientation should touch on the policies, place, procedures, and people whom the new job incumbent will encounter in the near future.

- c) **Performance Appraisal:-** The performance of employees need to be evaluated. They also require assistance in career planning. Performance Appraisal is particularly difficult in home country evaluations because the evaluator may be thousands of miles away and may not fully understand the challenges faced by the person being evaluated.

- d) **Compensation Decisions:-** Compensation and protection go beyond pay and benefits. Pay is expended to compensate for additional taxes, living expenses and personal costs. Incentives may be added, especially for

assignments to less desirable locations. Supplements may be given to cover extra costs of educating children, making return trips to the home country and paying wages of servants. Benefits may include a company car, a driver, club membership, housing and other perks.

- e) **Sensitizing Employees to cultural differences:** As already discussed that importance is being laid on socialization that new employees adjust in the organization and become familiar with the people in and around.

6.3. HRM Systems to meet Globalization Challenge: In recent years, India has evolved from an inward looking economy to one with a global orientation. Today, the country exports more number of products to more destinations than ever before. Thanks to the ingenuity and enterprise of Indian exporters, countries and regions which were once unaware of the country to are active consumers of Indian products today. Indian entrepreneurs have extended their global influence by opening manufacturing facilities and service units in several regions of Africa, Asia, Latin America and Europe while several smaller firms are active partners of global firms such as 3M, Microsoft and Pfizer.

However, the disheartening news is that the country's overall competitiveness in international markets has not shown any significant gains in the recent past. Quality of its Human resource & its managerial expertise are the main two areas that can enhance a country's competitiveness.

Sound human resource management procedures not only facilitate improvements in short run productivity but also improve a firm's long-term responsiveness and flexibility and thereby competitiveness. The progressive human resource management was significantly related to managerial

confidence to compete globally. Strategic human resource management enables an organization to anticipate a problem and respond to it before it can cause serious damage to the firm. Several past research studies have indicated that successful organizations have active human resource departments which systematically search for opportunities and problems in the environments and facilitate maintenance of open channels of communication within the firm. No wonder that successful multinationals such as Microsoft, Texas Instruments and Gillette invest considerably in developing and preserving their human resources. Human resources are truly the most valuable resources that firm can possess.

It is safe generalization that international human resource management requires addition, deletion and modification of traditional human resource functions. Employee-related activities that need to be added include relocation services, orientation to new cultures and customs, home rental/sale while on foreign assignments, and translation services to help employee communicate and adapt to foreign settings. Several procedures currently used in the context of benefit planning, tax planning and counseling investment management, health service, etc., may have to be modified significantly to make them suitable for foreign locations. Several human resource and employee policies related to minimum wages, incentives, employee involvement in decision making etc., may have to be altogether deleted if they do not match the governmental policies and culture of the host country. According to Dr. H. Das, the employees working in foreign locations of the company may be expatriates. Increasingly, there has been a trend away from use of expatriates to local nationals to minimize culture shock, reduce costs, and meet demands of local governments. International assignments often look attractive to first-time applicants; career, family, language and cultural considerations may cause more experienced candidates not to apply. Dual

career, formalities and assignments of less developed areas are often significant barriers to recruitment. Some employees are reluctant to apply abroad because they fear they will lose touch with developments at headquarters, harming their opportunities for career advancements.

7.0. EXAMPLES OF EFFECTIVE CHANGE IN INDIAN ORGANIZATIONS

We have a number of cases where change was brought about effectively in Indian organizations, e.g., Mahindra & Mahindra Ltd., Bharat Heavy Electricals Ltd., etc. These examples suggest that it is possible to bring about change and have it accepted by all concerned provided the parameters of change have been taken care of. Here, the latter example is discussed in detail.

7.1. Bharat Heavy Electricals Ltd. (BHEL)

The organizational set up of the heavy electrical industry working under two separate companies, i.e., Heavy Electricals India Ltd. (HEIL) and Bharat Heavy Electricals India Ltd. (BHEL) came up for review in 1971 in the wake of grave power crisis. A committee was set up by the government to look into the working of these two enterprises. One of the recommendations made by the Committee was HEIL controlling the Bhopal unit should be merged with BHEL to ensure optimum utilization of available resources. Although different plants followed different standards and practices, a decision was taken to merge the two companies and integrate the operations of different operating divisions. Though HEIL and BHEL were big, employing 20,000 and 25,000 people respectively, it was strongly felt that, unless the different heavy electrical units worked in an integrated manner, the objective of providing better service to the customer could not be achieved. It was decided to integrate management of the four plants by

which product lines and technology could be rationalized, expertise pooled, common specialized functions centralized, and more coordinated service provided to the customer. There was full awareness of the problems to be faced, particularly in the human aspect associated with such integration. Individual interests were bound to come to conflict with overall organizational interests. Two steps were taken.

- a) The first step was to explain to all employees the benefits of integration. A series of meetings were held with various groups of employees at all levels. The rationale of reorganization was explained to them and their ideas were sought. An attempt was made to create an atmosphere in which all employees, irrespective of their status and functional background, could freely discuss and contribute their suggestions. This gave the employees a sense of involvement and belongingness to the organization. Though it slowed down the pace, these efforts bore fruit, as desired. During the second year, after the merger, a few eminent management consultants from the UK visited BHEL's divisions. They were pleasantly surprised to find hardly any visible signs of merger, with all divisions working as one organization.
- b) Another thing essential for bringing about a successful merger was the development of a bias towards optimism. Change can be effective only if a climate exists in which people are optimistic, feel a psychological freedom in their innovative attempts, and perceive an opportunity for their own growth and development in the process. They were given an opportunity to contribute in the planning and organization of their jobs. A system of responsibility-oriented functioning, based on centralized policy formulation and de-centralised execution and administration was adapted. In day-to-day functioning the executives were given full freedom to take

their decisions as long as they were in line with the annual approved budgeted commitments and were within the policy guidelines.

7.2. Mahindra & Mahindra Ltd. (M &M)

Since the traditional assembly line job is highly specialised, it creates boredom and monotony. It is seen as unchallenging and requiring no initiative because it is routine. It makes transfers difficult because workers fear that change may jeopardise their security. It is highly interdependent (one person's output is next person's input) and provides major problems in the substitution of employees.

Work team concept, on the other hand, designs the job in such a way that a team of workers performs the total activity from beginning to end. From that perspective it provides variety, freedom, control on the pace of activity, and change so necessary to keep the interest alive. Early indications of work team concept came from the work of a Norwegian psychologist, Einar Thorsurd. His method consisted of organising the work in such a way that it could be carried out by a small self-managing group of workers. The concept refers to a redesign of work from one person doing one single activity to a group of them conducting the total activity.

The idea of introducing work team system of assembly was in the minds of managers in this company but they could not put it to practice till an opportunity arose. The opportunity came in the early seventies when the truck division of the jeep assembly plant at Bombay was bifurcated. The truck plant employed 75 employees working at a specified position on the assembly. The production was ten trucks per day.

Interviews by the author showed that the problem prior to change arose because of several reasons. These reasons consisted of workers' refusal to transfers between the two points in assembly line, high absenteeism, high turnover, lack of possibilities of varied experience to workers, poor quality of output, and rising cost of fixing defects in the repair shop on finished products.

The reorganization of work identified 15 segments of the total assembly line. The segments consisted of main assembly line, axle preparation, chassis preparation, axle-chassis drop, steering and brakes, sub-assembly table, engine preparation, engine drop, cowl trim, pick-up trim, cab trim, body crop, accessories fittings, auto electrician, and seat assembly. Initially, five work teams of five members each started work on the main assembly line. Each team covered entire assembly operation from beginning till the vehicle rolled out. Each team was to complete two vehicles a day to get a total of ten vehicles a day as they were doing before the new method was introduced. The remaining workers worked on other segments with specified output but in the group of five.

The work team system had the following merits.

1. Each team was responsible for the assembly of two complete vehicles.
2. The monotony and fatigue of the repetitive job was eliminated because the work in each stage was difficult.
3. The new system provided opportunities to every worker to acquire new skills.
4. Each team had the freedom to organize its own work as long as they assembled two vehicles per day which provided them the necessary variation and control on the pace of activity.

Before the system was introduced the workers, their union representatives, and the management discussed at length the problems and prospects of the new

system. Workers were assured that nobody would be retrenched as the team would consist of the existing work force only.

They had the freedom to form their own teams of five workers each. The number of people, man-hours per week, and the shift were not changed. Although the idea originated from the management, all decisions concerning the actualization of the ideas were jointly arrived by workers, union leaders, and management. After the introduction of the work team systems personal interviews with many workers revealed that they showed a very strong inclination to continue in the present system rather than go back to the old one (Rao, 1974).

The switchover of production from traditional assembly line to work team system in Mahindra and Mahindra goes a long way to show that effective change is possible if change is perceived relevant and necessary by those who are going to be affected by that change. The Mahindra and Mahindra experience showed that the absenteeism dropped, workers took more interest in their work, and the quality of output improved in the new system of work.

8.0. PUBLIC & PRIVATE SECTORS

Public sector units are main contributors for economic growth because of huge investment of money amounting of Rs. 1,03,000 crores is blocked in 248 Public Enterprises and managed by Bureau of Public Enterprises.

In the new industrial policy as adopted by the present government, some major decisions have been taken in respect of public sector to make them profitable or to prevent losses, because government is unable to bear huge losses in public sector units specially those units which have been taken over from private sector as sick unit. The main reason or concern is non-return of money to the

government against this huge investment; actual ratio of return is far less than the rates of interest in Saving Bank Account.

Apart from financial implication, public sector units also play vital role in respect of generating employment and rendering some social services to the nation by upliftment of backward areas like adoption of villages, establishment of industry in non-industry areas, etc.

8.1. Brief overview of Human Issues & losses:

The employees of such organizations which are running departmentally i.e. ministries concerned, are called civil servants, governed by separate laws. Those who are working in manufacturing and production are regarded as industrial workers and they are governed by the enacts like Industrial Disputes Act, 1947, Payment of Wages Act 1936, Factories Act 1948, Trade Union Act, 1926, etc.

Overall scenario of industrial relations in public sector is not harmonious and unrest is observed due to:-

- (i) Corrupt practices in Management in respect of non-uniform policy. adopted in applying rules & regulations and violations of labour laws.
- (ii) Less experience and in-competency in management.
- (iii) Inadequate opportunity of training & development specially in respect of workers and leaders of unions.
- (iv) Militant-trade-unionism and multi-union situations and leadership by outsiders.
- (v) Inadequate labour laws and inefficiency of State Labour machinery.

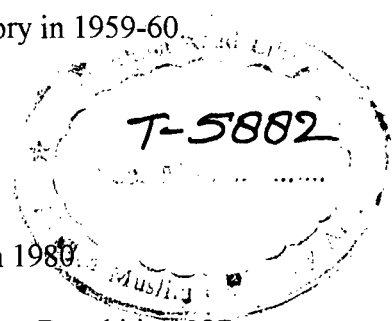
- (vi) Intervention of Ministry and approach by political parties.
- (vii) Inadequate attention of behavioral aspects.
- (viii) Improper dealing of grievances and non-implementation of proper Grievance Handling Machinery.
- (ix) Sometimes unreasonable demands by Unions without looking into financial position of the organization and its implications on other PSUs.
- (x) Non-acceptance of workers by the Management in Participative Management Scheme willfully and restriction on the workers in this scheme.

Another source of unrest is formation of Trade Unions or Officer's Association, they are also active in protecting their rights, etc.

In view of above, some heavy losses incurred by PSUs due to labour unrest during last three decades are given below :-

Loss of machinery of Rs. 40 Lakhs at Heacy Engineering Corporation.

- (ii) Five burnt by labour in Hindustan Housing Factory in 1959-60
- (iii) Strikes in LIC, Indian Air Lines and Air India.
- (iv) Railway strike in 1974.
- (v) 77 days strike in Bangalore based undertakings in 1980.
- (vi) Lock - out declared at the Heavy Engineering Corp. Ranchi in 1987.



But it would not be out of place to mention here that the comparative loss of production, wages due to labour unrest is much higher in Private Sector than in Public Sector. The picture may be cleared from the following table:-

Years Sectors	1989		1990		1991		1992	
	Public	Private	Public	Private	Public	Private	Public	Private
Workers involved (000)	918	446	884	424	788	554	488	480
Mandays lost (000)	5740	26924	5736	18350	4145	22284	1385	19263
Wages lost (Rs. in crs)	26.83 (523)	23.14 (531)	20.98 (522)	12.76 (556)	15.76 (574)	23.60 (569)	8.57 (461)	07.18 (265)
Value of production lost (Rs. in crores)	128.61 (460)	366.69 (485)	110.53 (467)	233.19 (530)	107.16 (504)	472.71 (536)	56.97 (387)	18.80 (256)

N.B. : Hand Book of Labour Statistics, 1993 Labour Bureau, Ministry of Labour, Govt of India, Shimla / Chandigarh.

Apart from above, another reason for increasing human issues is lack of faith in negotiating machinery. Employer and trade union leaders feel that the negotiating machinery does not succeed in redressing employees' grievances.

8.2. Discipline problem and concept of punishment:

Discipline within the employees of public sector in the organizational structure need much attention because no organization can sustain or survive without maintaining proper discipline and also discipline have a direct relation with industrial relations of the organization. The importance of discipline can be well understood when indiscipline takes place due to lack of discipline. Various studies have been made on "industrial" activities in various public sector units, out of which some findings are stated below:-

Choubey studied the organizational correlates of indiscipline in Bokaro Steel Plant where there were 32 registered unions and 27 unregistered unions, and finds that (a) fast growth of the organization which conceded with overly rapid changes in the larger system (both social and political), created imbalances between management and labour, between rank and workers etc. (b) trade unions could not establish rapport with the rank and workers (c) managers must possess power i.e.

concern for influencing the behaviours of people in the organization but should not use to meet the personal ego.

On the contrary, it may be stated that to maintain proper discipline various aspects should be studied like system, communication, behavioral sciences, attitude of union, laws, etc., out of which Behavioral Sciences have a vital role to play in managing people, maintaining proper discipline, solving human issues and training them in right way.

In respect of punishment or disciplinary action against the employees in PSUs, it is essential to clarify the concept of punishment or disciplinary action. In general it is understood that the disciplinary action leads to imposition of punishment. But also the disciplinary action gives the delinquent an opportunity for his defense. While taking disciplinary action it is imperative to observe the principles of natural justice in a purely domestic atmosphere.

However, in PSUs the disciplinary action or imposing of punishment on the employees is regulated by Standing Orders as prescribed in the Industrial Employment (Standing Order) Act, 1946 as Government has tried to assure protection of Industrial workers from arbitrary managerial power to hire and fire.

8.3. Concept and nature of trade unionism:

Trade union movement in Public Sector Units other than departmentally run units gained momentum only during post-independence period with the expansion and diversification of public sector in the country. In Central Govt. public sector undertaking, number of unions submitting returns are increasing continuously, for example in 1947 it was only 404 and in 1967 it was 747 and simultaneously memberships are also increasing. But a study of Ministry of Labour, Government of India recalls that out of 240 Public Sector units 41 units had no trade unions, 52 had one trade union each and 147 had two or more unions.

Recognition of Unions in Public sector are generally granted on the basis of verification of membership as stipulated under Code of Discipline. The Parliamentary Committee on Public Sector Undertakings is of the opinion that the existing arrangement for recognition of Union under voluntary code of discipline has not proved to be quite effective because it creates problems as it confers certain rights without enforcing the corresponding obligation.

Most of the unions in PSUs are under affiliation of Central Trade Union Organizations like; All India Trade Union Congress (AITUC), Indian National Trade Union (INTUC), Hind Majdoor Sabha (HMS) and Centre of India Unions (CITU) and these organizations are linked with various leading political parties like AITUC-CPI, INTUC - Congress, CITU-CPM, BJP, SP, BSP, etc. Apart from these a good number of unions exists in PSUs which are not affiliated with any central Trade Union Organizations.

Over all performance of trade unions in PSUs in some areas are very appreciable like unions in Ports & Docks, Steel, Insurance, Banks, etc. but they are not free from common evils.

However, multiplicity of unions in PSUs creates more human issues in management, even sometimes management takes advantages in this game by creating conflicts within the unions; former Union Minister of Labour, Mr. P.A. Sangama, expressed his view in Calcutta on 9th April, 1986 that the multiplicity of trade unions has greatly contributed to generate industrial disputes and issues in the country.

Role of trade unions in PSUs is very significant in present liberalized industrial policy of the government and disinvestment in PSUs as well as exit policy for which interest of the workers has to be protected.

Apart from above workers associations, there is another type of union that is called 'Managerial Unionism' or Officers Association which is playing a vital role in PSUs like Banking, Coal and Refineries and also in Manufacturing Industries. It is formed to protect the interest of executives in respect of job security, anomalies in pay, Govt. and legal regulation in favour of Unions, protection of officers from violence tactic of certain section of workforce, etc. The union also plays a significant role in industrial relations climate in the organizations.

8.4. Concept of collective bargaining & workers' participation in management

The object of collective bargaining is to achieve harmonious relations between the workers and the management. Today, in the liberalized industrial policy where PSUs have to face the challenges in competing with multinational companies and market leaders of the world which required cost control, quality product and delivery on time apart from high technology and increased productivity, collective bargaining can not be considered an area of confrontation but a forum for formulated corporate policies on work related areas as well as interest related areas jointly. However, it is not the picture in all PSUs hence there is a need to give much attention on this aspect to counter the challenges posed by new industrial policy of the government.

Workers participation in management is considered as a mechanism where workers have a say in the decision making process of an enterprise. As per ILO publication "Workers' participation may broadly be taken to cover all forms of association of workers and their representatives with the decision making process, ranging from exchange of information, consultation, discussion making process, ranging from exchange of information, consultation, discussion and negotiation to more institutionalized forms such as presence of workers members on management or supervisory boards or even management by workers

themselves as practiced in Yugoslavia" (former).

8.5. Adoption of labour laws in full

It is expected that PSUs should abide by labour laws and implementation of government's policies into so that industrial conflicts could be minimized and peace and harmony in industry would be maintained. But this has not been happening in practice. In this connection once Ministry of Labour & Employment had collected empirical evidence and it is revealed that units like Fertilizer Corporation of India Limited (Nangal Unit), ITI Ltd., Hindustan Machine Tools-Pinjore, National Instrument Ltd., Calcutta, Bharat Heavy Electrical Ltd., Bhopal have violated in implementation of certain provisions of Factories Act, 1948 and industrial Disputes (I.D) Act, 1947. Apart from that it can also be observed that sometimes provisions of Bonus Act 1965, Payment of Wages Act 1936, Workman's Compensation Act 1923, etc. have been violated by PSUs especially in case of contract/casual labours and apprentices. Many times they are denied for payment of compensation though the Workman's Compensation Act 1923 is applicable to the apprentices as specified in Apprenticeship Act, 1961. Even in the case of regular employees sometimes deduction from wages is much higher than the stipulated deductions in the payment of Wages Act, 1936 (limit of deduction is 50% of Wages without CO-operative societies due. With the societies due the deduction may be made upto 75% of the wages). Also sometimes the provision of Factories Act, 1948 is violated in respect of "working hours of adult" (chapter - VI, sec. 59 "Extra Wages for overtime"). Actually, workers are insisted to do extra work upto 25 to 30 hours per week for which either they have been paid at the lower rate without calculating actual wages as per provision of Sec. 59 of Factories Act, 1948 or sometimes it is compensated by allowing employees to get compensatory off.

This violations of laws are possible due to lack of proper education among as well as bad leadership of trade unions for which management is not taking positive

steps to educate them properly. Sometimes, Management intentionally violated the laws specially I.D. Act, 1947 and takes action against the employees to bring the employees in the Court of laws knowing very well that Court's Verdict will not be in favour of Management and try to linger the case in the court to harass the employees financially and mentally.

However, labour laws are also imposing limitations on different aspects of management's action so as to maintain proper disciplines in the organizations. For example Sec. 33 of ID Act, 1947 provides various protections to employees as well as union leaders (Protected Workmen - Sec 33C), so that there are lot of complications being arisen to maintain disciplines in the organization in good faith. Also due to non-amending various laws by the Government, the Industrial Relations Situation in the industry is being complicated, for example Bonus Act, 1965 where bonus would be paid to those who are drawing Rs. 2500/- wages per month, which 90% of employees of PSUs are drawing more of that due to various wages revisions and subsequent increase in price index and rate of inflation and prices of essential commodities. So that Government should take initiative to amend labour laws especially Trade Union Act, ID Act, Factories Act & Minimum Wages Act.

9.0. EMERGING ISSUES DUE TO ORGANIZATIONAL RESTRUCTURE

Three dimensions have been identified for the purpose viz. business restructuring, financial restructuring and organizational restructuring. Third one calls for stress on values, attitudes, climate, skills and HRD.

9.1. The core issues that compel the organization to start the restructuring process are the following:

- a) **Policy Constraints:-** Concentration on social aspect of organization over the commercial aspects may deteriorate the financial condition of any organizations.

- b) **External Interference:-** Lot of political interference in the day to day functioning of the organizations affect performance of the management.
- c) **Improper recruitment of labour force:-** In absence of a proper recruitment policy, lack of effective administration, absence of contracted execution policy for temporary workforce and vested interest of certain groups have created the surplus workforce affecting the performance in terms of morale, discipline and utilization.
- d) **Non-introduction of Schemes for Incentives:-** The management since inception did not attribute due importance to HRD, thus, resulting apathy, indifference, low morale and demotivated workforce.
- e) **Lack of Training facilities for Employees:-** Inadequate training facilities for staff and officers resulted in :
 - Improper operation and maintenance work.
 - Increase in fatal and non-fatal accidents.
 - Poor maintenance record.
 - Poor customer service.
 - Execution of non-standard works.

Overstaffing is one of the chronic problems in many govt. owned utilities. Overstaffing is a financial burden to the utilities and destroys the discipline and morale of the staff. Surplus staff may be reduced through attrition, voluntary retirement, retraining , and redeployment, keeping the age, skill and performance profile of the existing staff in mind; layoff is always a problem, no matter what reason, as may be seen from the following issues :

9.2. Layoff/downsizing: Work force reductions through layoffs are one response to employee surpluses. Unlike the case of discharges, employees

are seldom directly responsible for the conditions leading to the surplus. The surplus is usually caused by “economic reasons” such as poor business decisions, poorly designed product, poor marketing, or market declines not under the control of the organization or the employees. Thus, layoffs are among the most difficult decisions human resource managers must make.

As with discharges, employers often go to great lengths to avoid layoffs. For example, Control Data Corporation (CDC) attempts to avoid layoffs through their Rings of Defense Strategies.

The first defense is to cut overtime, then call back work that was sub contracted to outside vendors. Next, the company dismisses supplemental employees and part-time employees. Finally, if the surplus still remains, CDC turns to programmes related to full-time employees – their Inner Rings of Defense. Here programmes such as hiring freezes, voluntary layoffs, dismissing poor performers are designed. Finally, CDC considers attempts to share work and reduce normal work hours. CDC uses all these programmes before laying off full-time employees.

Many organizations have employment stabilization programmes, although they may not be as elaborate as CDC’s. Under such programmes, organizations are committed to make every effort to provide continuous employment for employees. In fact, one of the major motivations for early retirement incentives is to accomplish work force reductions without resorting to layoffs.

10.0. The Changing Scenario

- 10.1. The changes brought about by globalization, technological innovation, increasing competition and growth through expansion, diversification, acquisition & modernization, pose serious challenges to organizations in different areas of management. The most fundamental to all these areas is the area of **Human resource**, because this is the most important and valuable resource of an organization. All other resources-technology, money, equipment etc. can contribute towards the effectiveness of an organization only when motivated and committed people manage them. The need to adapt to these changes has been felt because the pressures are from different directions : the employees, because they are more educated, and as such their levels of expectations are much higher than it was before; the introduction of improved technology which requires the employees to have higher levels of skills and accountability ; and the existence of employment opportunities outside the organization, which has resulted in greater mobility of quality workforce. It is in this context of the need for organization to react and adapt to the modernization in the environment that human resource development and management assumes importance.

- 10.2. Yet another reason for organizations to pay increased attention to human resource development is the need for them to cope with the rapid modernization in the environment, bringing in its wake the requirement for adjustments to the improved technology and the need to meet the higher expectations of the employees from the organization. It is, therefore, necessary for organizations to invest in human resources, not only for its growth and development, but also for the very survival of the organization in an increasingly competitive and fast changing environment.

- 10.3. Factors like technology or finance will become common denominators in all organization. There would be just marginal difference between one organization and another. In the future, technical adage once achieved will erode quickly unless it is renewed. While the need for continuous modernization and rapid response to market is already established, these can only be met by people who are motivated to deliver performance. In order to produce better or extraordinary results, organizations will have to depend upon the human aspect as this will help bring about the much needed competitive edge. As such, a real change in the paradigm, in the mindset, in the way we look at the globe, we look at technology, we look at institutions, and more important in the way we look at people is called for now and in the years to come.

The keen competitions posed by modernization globally have forced firms to perform extremely well by keeping quality, cost and delivery. The objective is to keep the customer not only satisfied but delighted. Globalization refers to a free, uninterrupted international trade, characterized by global competition, freedom of mobility of capital, technology, knowledge material and men both skilled and unskilled. The computerization of Indian Industry has wiped out semi skilled and unskilled workers. There is also change in the organization structures. As a result the middle and lower levels are getting shrunk. At present there is mobility only for highly skilled & talented workers.

Personnel Management has also undergone a sea change. It is not merely management of recruitment, promotion, training & welfare of employees, but now it includes human relations.

CHAPTER - III

HUMAN ISSUES & SYSTEMS

Human issues emerging under modernization strategies is crucial in context of the economic environment of the country. Now a days, retaining the qualified and experienced manpower is undoubtedly the greatest challenge faced by organizations. Managers are in a dilemma as how to solve this problem and retain them. Looking at the human resource dilemma, one of the variables to be dissected is the issue of an open economy. Indeed it is a foregone conclusion that with the advent of more competitions, the number of industries have multiplied. In actuality, with human resources being scarce, organizations are vying for the same set of individuals and skills. As a result, the shift of people and skills across organizations have reached new heights.

The major policy changes in the country due to liberalization in form of deregulation and delicensing have been compelling the government owned enterprises to generate their own resources without government aid and subsidies. But one of the major problems of these organizations is inefficiency on one hand and over burdened surplus staff on the other. The government therefore started programmes to revamp these organizations through reforms and restructuring. The restructuring programming is normally to make service more efficient and effective, but at the same time it needs major involvement of the people. Successful implementation of restructuring programmes needs focus on human aspect of the organization to make dramatic changes in the ways and areas of the work. A good structural and financial base provides a sound means for operating the organization, but the ultimate success depends on the quality of the staff, its performances, and organizational climate. However, lack of autonomy, and management inefficiency deteriorate the performance of any staff and hence

affecting organization adversely. Fundamental to all these areas is the human factor.

Human resource **systems** are the essential programmes needed to recruit, appraise, pay and look after the health, safety and well-being of the employees in the organization.

The main key programmes are:

- (a) **Recruitment Management:** It is a process of obtaining the required human resource for an organization.
- (b) **Information Management:** It is a method of ensuring that all policies and practices are to be well articulated and effectively communicated to the workforce.
- (c) **Training Management:** It is a system of identification of training needs, preparation of a training strategy, and an appropriate training system.
- (d) **Performance Management:** It is a technique of appraising performance systematically against defined criteria, reviewing process to date and assessing the potential for advancement. There are three main appraisal systems such as performance appraisal, potential appraisal, and performance coaching or counseling.
- (e) **Reward Management:** This ensures that people are rewarded in accordance with their contribution.
- (f) **Career Management:** It is a system of charting special career paths for individual employees for advancement in the organization.
- (g) **Health and Safety Management:** It is a system of maintaining a healthy and safe system of work in an organization.

- (h) Discipline Management: It is a system of administering discipline to foster positive employee behaviour that will promote organizational objectives.
- (i) Culture Management: It is a system of thinking and behaving shaped by the values, attitudes, rituals and sanctions in an organization.

It is essential that HRM systems are designed in the framework of the total organization. HRM efforts fail miserably in such organizations where no attention is paid to these systems. Preek (1970) found the following sub-systems necessary for introducing HRD in the organization:

- (a) Planning and administration of human resources. This includes four main aspects, viz., (a) manpower planning, (b) recruitment, (c) promotion, and (d) career planning.
- (b) The second HRD system is about job and salary administration like performance appraisal, job analysis, and potential appraisal.
- (c) The third aspect of HRD is mainly confined to training, performance feedback, counselling and organizational development.
- (d) The last system relates to the industrial relations and welfare of workers.

It is therefore suggested that human concern must take supreme position in the minds of business entrepreneurs including government and as a matter of policy, every one must accept that any plan of modernization must be preceded by manpower planning. Humans working in organizations are being considered as valuable resources and the need to invest time and effort in their development has been accepted by organizations. Sincere and successful organizations have started considering human issues emerging under modernization since early 90s as this has been an era of activities and changes in the Indian business. There are

therefore several human issues prevailing in Indian organizations which the researcher has decided to group them into different categories.

CATEGORY “A”: ISSUES RELATED TO THE HUMAN RESOURCE POLICY

The human issues crop up from the manner employees are managed in an organization. This stresses the importance of managers in managing human resources. Often human resources are equated to other resources like money, raw material and treated alike. Another reasons for human issues may be pressing domestic commitments and one finds it difficult to attend to these from the existing location because of frequent leave, frequent expenditure on travel and he does not get direct or indirect support from the organization, he decides to quit the job and move to a nearby location. Repeated promotions may also bring a situation of such human issues where no further advancement is possible for such employees. These employees who have no more growth prospects might enter a ‘plateaued’ time in career. They have no hopes of climbing the organization ladder. Some of these ‘plateaued’ employees might after a serious introspection even decide to change their jobs. The profile of the workforce has also undergone a sea change with employees having higher expectations from the organization. The expectations have risen above the mere physical and security domain, to include higher order needs, such as job involvement, job satisfaction, scope for future development within the organization, etc. all of which have to be met.

Where there is a choice among actions, personnel policies act as guides to choosing the appropriate action. Policies are general in nature, while procedures and rules are situation-specific. Procedures are customary methods of handling activities and are more specific than policies. Failure to review, add to, or delete policies as situations change may lead to problems.

Personnel policies are a characteristic feature in every organization, irrespective of whether a formal personnel department exists or not. Personnel policies do not necessarily have to be written down or formalized. But there should be certain precise guidelines for action such as:

- (i) How people in organization should be treated. What importance is attached to treating people fairly, considering individual needs and fears, to providing a good quality of working life, and to looking after their welfare?
- (ii) What quality of people does the company want to employ? How much security and equal opportunity is the company prepared to provide?
- (iii) What is the level of wages or salaries the company is prepared to pay in relation to the market rates?
- (iv) Is the company setting out to provide long-term career prospects?
- (v) What importance is attached to training as means of improving performance?
- (vi) To what extent does the company wish to have recognized trade unions? What is the company's view on multi-union situation?
- (vii) How much information is the company prepared to disclose to employees? To what extent does it wish to involve employees in decision-making?
- (viii) What is the company going to do about promoting the health and safety of its employees?

Such human issues related to HR policy are created due to the following reasons.

- i) Lack of strategy for human resources.
- ii) Lack of proactive approach towards human resource development.
- iii) Lack of people orientation in many organizations.
- iv) Lack of correlation between the corporate strategy and human resource strategy.
- v) Lack of alignment between organizational needs the employees' needs.

- vi) Employees are still looked upon as an appendix of the industrial life and not as business partners.

SYSTEMS

Proaction means anticipating issues and acting to take advantage of this understanding (either preventing a conflict or responding to the needs of the future, in fact creating the future). It means transcending immediate concerns and taking initiative. This value applies both to the individuals and to the teams of the organization.

Certain steps are necessary to take a **proactive approach**, viz., using the existing strengths of the culture, reinforcing them, and establishing new traditions and norms in the organization. Introducing a new system is like starting on a new journey. The action principles are suggested as: determine the directions, share possible consequences of the journey, start from where you are, take one step at a time, prepare for the journey, be prepared for reversals, develop internal expertise, continue moving, & have a compass and a speedometer.

To sum up, proactive strategy requires planned and persistent work. Past experiences of failure, and problems being faced in implementing some systems, confirms these needs. Advocates of reactive strategy adopt them as defenses to argue that such systems are not suited to the culture and that they should be evolved to 'suit' the culture. Such a strategy may not help an organization to take necessary steps for change. However, the following steps are necessary:-

- i) Strategic human resource management enables an organization to anticipate a problem and respond to it before it can cause serious damage to the firm. Several past research studies have indicated that successful organizations have active human resource departments which systematically search for opportunities and

problems in the environments and facilitate maintenance of open channels of communication within the firm¹. Sound human resource management procedures not only facilitate improvements in short run productivity but also improve a firm's long-term responsiveness and flexibility and thereby competitiveness. The progressive human resource management was significantly related to managerial confidence to compete globally². No wonder that successful multinationals such as Microsoft, Texas Instruments and Gillette invest considerably in developing and preserving their human resources. Human resources are truly the most valuable resources that firm can possess.

ii) It is argued that top management should examine the managerial culture of the group and the organization before introducing change. Top managers are increasingly turning to **Human Resource Development (HRD)** mechanisms such as performance appraisal and team building, potential appraisal, feedback and counseling, and training for introducing organizational change. While the process of HRD as a way to help employees initiate and cope with change is appealing, top managers would do well to examine the appropriateness of the assumptions HRD makes about people and their values; HRD assumes that people prefer to change and that individuals have drives towards personal growth and development which are activated when the environment is supportive and challenging

In an public enterprise, Human Resource Development (HRD) is of great significance as it implies identification of training needs of the manpower from time to time and taking action towards around development of the human resources with a view to help the enterprise to achieve its pre-determined goals on the basis of efficient working of its trained and motivated manpower. HRD is equally found necessary to enable an enterprise to train, re-train its manpower for necessary adjustment or readjustment to match with its manpower requirements.

Most of the undertakings are developed and equipped with adequate facilities to train different levels of personnel. But the training function in these public sector units generally suffers from the absence of top management support and takes place in an environment of interdepartmental conflicts. But in a few corporations, the training function also suffers from shortage of technically qualified manpower. Immediate emphasis on HRD indicated in the study is quite in line with the national thrust on Human Resources. There is accent and priority on HRD and there is vital need for training human resources in the enterprises. It is perhaps realized that unless men are trained and developed, changes on other areas and technological advancement, marketing and diversification, etc. will not be effective.

To a management embarking on change through HRD, intervention mechanisms are available that strengthen either individual or group orientations. Performance counseling, for example, is an individually oriented intervention, whereas team building tends to promote a collective culture. While it is possible to introduce both these interventions in any organization, the ease of their introduction and effectiveness of outcome are likely to be determined by the prevailing organizational culture. For example, introducing group rewards in an individualistic culture or promoting individual merit in a collectivists culture will both meet with resistance. Thus, greater time and effort will be needed if these interventions have to be successful.

Introducing cultural change is a managerial choice, although the manner of choice is important. The prevalent thinking about introducing change through HRD is that HRD is helpful and, therefore, introducing it in a form that makes practical sense is all that is needed.

iii) On the job, development has the maximum scope. Every senior can contribute to the development of his juniors by coaching, appraisal, feedback, counseling and modeling learning from all sources, including from one's juniors. Career plans are needed to take the developmental process beyond the current role into relevant future roles. The plans require to be built on Career path Models, based on role analysis and the optimal experience profile desired for senior positions. Individuals need to be assessed and streamed on these career paths according to their potential, distinctive strengths and weaknesses. Many companies are realizing that offering a 'job' is not enough. The good candidate is looking for something beyond the first job. So, these companies are now offering a **"career"**. This is a step forward. A further step ahead would be to offer "membership" in the business institution. The aim is to reduce or eliminate the distinction between the "employer" and the "employee". In a modern professionally managed company, can all personnel be given the feeling of membership, belonging and ownership?

Research shows that the extent of this preference is largely determined by the culture, although other influences also operate. As a result, an individual's and a group's willingness to accept group rewards or differences in power also varies. For example, in an authoritarian culture, an ideal leader keeps a "respectable distance" from his subordinates, while in a democratic culture, a leader prefers close contact with the group he supervises. Similarly, satisfaction in individualistic cultures is derived out of jobs well done, whereas in collectivists cultures, it comes out of work well recognized.

iv) Innovative managers should find a solution to such human issues. They could help such employees by combining tour with personal engagements, temporary transfer to nearby places or grant of leave in order to retain them. Since some sort of plateauing is inevitable at some stage or the other, a manager must create the

right attitude in the employer's minds for such an eventuality. Restructuring or redesigning a job might do the trick sometimes to make an employee feel satisfied and happy.

v) In order is to reduce the feeling of mechanical life style for the staff, many organizations are attempting to introduce the concept of flextime at corporate office and head office in particular. The flextime system believes in the concept of two phased working, that is, the core time of about four hours where everyone is present and the remaining four hours flextime. If you start early, finish early, and if you start late you finish later in the day³, this is found suitable for working wives and also for those who are having some other engagement or occupation or pursuing further studies or enrolled in some courses.

vi) The Strategic Business Planning System (**SBP**) should be based on a thorough scanning of the new competitive, growth environment, and identification of opportunities and threats. The HR needs should be derived from the long term goals and the strategies in markets, products, technologies and funds to achieve those goals. Both the SBP and the HRP will need to be updated at least once a year.

vii) Orientation or induction is the process of introducing new employees to an organization, to their specific jobs and departments, and in some instance, to their community. Orientation also marks the beginning of the process by which employees are integrated into the organization.

A new recruit needs orientation. The orientation meeting is the official welcome from the company. It should be conducted with warmth and understanding. The first few days on the job are filled with doubts and fears. The new employee needs assurance, confidence, and a nudge in the right direction until he finds his own way.

Orientation marks the beginning of socialisation, the process by which the employee is indoctrinated to the organization's norms, values, and ways of doing things. Socialisation is a period of adjustment for new employees, in which they learn what is expected of them in terms of appropriate behaviour and acceptable performance.

Most companies realise that the first impression of new employees affect future job satisfaction, competence, and company loyalty. Organizations make investments of time and money in new employees and, therefore, want to obtain their best efforts on the job, greatest level of efficiency in the shortest period of time, as well as their loyalty and respect. The attitudes formed in the early days on the job tend to persist and are not easily changed. An orientation programme, therefore, must be sound, follow a carefully thought-out plan and adhere to reasonable timetable.

The information provided in orientation programmes typically covers things like (1) the objectives and philosophy of the organization; (2) company history, policies, practices; (3) company products and/or services; (4) company plants and facilities; (5) organization structure (in general); (6) employee responsibilities to company; (7) company responsibilities to employee; (8) employee compensation benefits; (9) personnel policies; (10) work schedules; (11) training opportunities; and (12) safety measures and regulations.

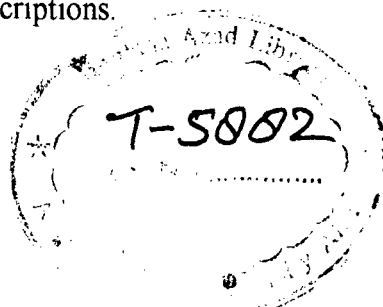
CATEGORY "B": ISSUES RELATED TO THE REVISION AND MEASUREMENT OF JOB DESCRIPTION.

The starting point for any selection is **job description**. It serves as a standard which not only helps to identify capabilities to be evaluated in selection but against which the evaluation of the performance is also made. Job description, has become an area of debate and discussion. Basically, there are two questions on

job description. (1) How far can a job be described? (2) How much of a job description would the organization like to have? Though these questions may sound interrelated but, in effect, they are independent. It is true that all jobs cannot be fully detailed.. Perhaps, the organization can be more specific at the lower levels in the organization, but in the upper levels in the hierarchy of the organization, it becomes more and more difficult to identify all the dimensions of a job. Perhaps, that is one reason why the supervisory and managerial jobs do not have a description but are broadly called as job roles. Even at the lower level, it is hard to fully define the job. This is confirmed by the way an appointment letter is worded. A typical letter of appointment lists out a variety of duties and often has the safety clause “ Any other duty assigned by the supervisor”:. To a large extent, the probation period can also be taken as a testing ground to see how well a person performs the defined and unknown aspects of his job.

The second question is still more difficult. Even though in some cases it may be possible to define the job more extensively, many organizations would not like to do so. Providing a complete description of the job to an employee may guarantee better performance. It also high lights the limits of freedom available to the employee. Once a complete job description is provided, the chances are that the employee would do only so much and no more. From the point of view of an organization that may not be a very desirable state, though it makes reward and punishment very legitimate. It is interesting to note that many charters of demands submitted by unions have items on job classification, but rarely talk about job description. This is a tight rope, and personnel people have to strike some balance for effective functioning of their units. The following issues are noticeable

- i) The existing job descriptions are not quantified hence not measurable.
- ii) With the revised organizational objectives and targets there is a continuous problem of job descriptions.



SYSTEMS

Just as the job analysis becomes the basis for the job description, so, too, the job description becomes the basis for job evaluation. **Job evaluation** is a systematic (not scientific) method for the objective determination of the relative worth of jobs within a company. It is a procedure for measuring the relative contribution of each job and for ranking these jobs in accordance with these measurements. Most companies prefer to use the point system for a study and comparison of jobs because it is objective. Employees, including the unions, find it acceptable because it is fair.

The factors upon which each job is rated fall into four categories. These are: (i) skill; (ii) effort; (iii) responsibility; and (iv) job conditions. The separate levels of each factor are defined, weighted and points assigned. The sum of the points of all factors of the job determines the total point value for the job.

It should be pointed out that job evaluation is dynamic in nature. This is one-time project but it must be maintained on an ongoing basis. Jobs change and it is imperative that when this happens, the job description and the evaluation of the job be reviewed and amended, if necessary, to reflect the change.

CATEGORY “C”: ISSUES RELATED TO THE HUMAN RESOURCE METHODS AND SYSTEMS.

Organizations are realising that human assets are most important of all assets. This emphasis can also be partly attributed to the new emerging values of humanism and humanisation. Moreover, with the increased emphasis on creativity, and autonomy, which people are increasingly acquiring and enjoying in the society, the expectations of people are fast changing. People cannot be taken for granted any more.

It is now being increasingly realised that people working in organizations are human beings. They have their own needs, motivation and expectations, and that their contribution to the organization is much more than that of any other material resource being used.

This resource has to be treated as human resource. In other words, human resource may be interpreted as a resource to be recognised and appreciated, and one which has to be treated differently, as a human one, and not like other material resources. The concept of Human Resource System (**HRS**), therefore, assumes that human beings are a great asset to the organization. This positive view of people working in the organization as an asset with unlimited potential is the core of the concept of the human resource system.

Another underlying concept of the system is that investment in human beings is necessary. Investment for increasing the resource is important, and the more an organization invests in its human resources, the greater the return from the investment, and the possibility realisation of the need for continuous investment, and the possibility of substantial return, is an important concept of the human resource system.

DEVELOPMENT AS THE UNDERLYING CONCEPT OF HRS: The core of the concept of HRS is that development of human beings i.e. Human Resource Development (HRD). Such a concept of development will focus not only on individuals, but also equally on the different units available like other groups, departments and the entire organization for different purposes. Development in this sense becomes a massive effort. While the training or HRD department may play the major role in designing and monitoring development efforts in the organization, other parts of the organization have to share in such an effort. In fact, the person, or the groups, for whom the efforts of development are made, is

also a partner in this process of development. The four partners or agents of development can be identified as : (a) the person or role, (b) the immediate boss of the person, (c) the human resource management department, and (d) the organization.

THE FUNCTIONS OF HUMAN RESOURCE SYSTEM (HRS): Human Resource System (HRS) is a dynamic concept in an organization. It has multiple functions. Not only does it deal with the problems of administering the personnel function, but it also helps the organization in several other ways. Its various functions can be grouped under five headings as follows

- a) **Supportive Role:** HRS is meant primarily to strengthen the organizations, besides providing support to other functions.
- b) **Role of Systems Development and Research:** HRS is responsible for developing various systems which deal with people, their problems, organizational dynamics, and various related matters. It has various sub-systems.
- c) **Managerial Role:** There are various functions which HRS directly performs and for which it is responsible. It is this kind of executive or managerial role which is important for various purposes.
- d) **Role of Developing Competence:** One of the most important functions of HRS is to develop various types of competencies which relate to several areas like technical competence, managerial competence, process competence, helping competence, & coping competencies.

- e) **Process Role:** An often neglected contribution of the Human Resource System to the organization is the “process sensitivity”, which is emerging as an important function with a new emphasis on process values. This is more important due to increasing complexity, and new emerging expectations of the employees from the organizations.

Human Resource System (HRS) consists of several interrelated components, which can be regarded as sub-systems. HRS can be structured in a variety of ways, by combining these components or the sub-systems. We propose four main sub-systems in HRS e.g. Job & Salary, Planning & Administration, HRD, & worker Affairs.

The following issues are usually noted in this category:-

- i) Problem of continuous rationalization of the existing human resource methods, tools and techniques.
- ii) Problem of continuous designing and development of new human resource systems which could be more innovative and effective.
- iii) Problem of continuous research, monitoring and feedback on the effectiveness of human resources and human resource systems.

SYSTEMS

In designing a Human Resource System, it is necessary to take into account several factors significant to the organization. There cannot be one standard **design of HRS**. Organizations differ on various dimensions, which should be taken into account while developing a design of HRS. Each organization develops an identity. It has a history and a tradition. Its size and the field of operation makes it unique. Its members may have some preferences and commitments. All such factors are important and need to be taken into consideration while designing HRS. the most important factor is the organizational culture, its values, preferred

ways of sanctioning behaviour, rituals, etc. While HRS should consider all such factors, it does not mean it should necessarily confirm or conform to the existing organizational culture. But an understanding of the organizational culture may help in developing more relevant and workable systems. Several organizational aspects are important for a specific design of HRS. Some of these are: size, technology, skill levels, organizational support, availability of outside of help, & existing arrangements

The most important aspect of organizational culture are the values in practices. Eight values may be examined to develop the profile of an organizational culture: openness, confrontation, trust, authenticity, proactivity, autonomy, collaboration, experimenting (OCTAPACE).

Very little systematic attention has been given to the designing of a human resources system. In the absence of systematic attention to such aspects, HRS may not be able to serve effectively the various purposes for which it is set up. Usually the urgent, but not necessarily the most important, problems are attended to in HRS, viz., statutory requirements of industrial relations, appointments, promotions and salary administrations.

The HRM philosophy, systems and practices need review and renewal. This is to be done through seeking and analysing continuous feedback and taking necessary action. From exit interview data and other feed-back and suggestions of all employees, as well as from internal and environmental developments, take the following kinds of actions.

- i) Moderate the plan for HR numbers, age and skill mix and the time phasing of induction and exit.

- ii) Review the job career and membership 'products' on offer to potential new entrants and upgrade them.
- iii) Improve pay and perquisites through compensation surveys. Also, conduct periodic internal climate and attitude surveys, identify priorities and take action.
- iv) Assess the quality, mix and impact of HRD on the organization and change the HRD and OD interventions.

Challenge the level of utilization of the rising HR potential in the organization, identify gaps and take action.

CATEGORY “D”: ISSUES RELATED TO THE RETRENCHMENT AND REDEPLOYMENT OF WORKERS.

Retrenchment & Redeployment:- The ILO Convention and Recommendation on the Termination of Employment (1982) suggest several measures to avert, or minimise, job losses: restriction on hiring, spreading the workforce reduction over a period of time, internal transfers, training and retraining, voluntary early retirement with appropriate income protection, restriction of overtime and reduction of normal hours of work. Where a reduction of normal hours is envisaged, it is recommended that there should be partial compensation for loss of wages for the normal hours not worked. The Recommendation also envisages establishing a well-defined criteria of selection for termination and according priority of rehiring with retention of seniority rights, which may be limited, for a specific period of time, to such terminated retrenched workers.

There are many instances of concession or bargaining in a crisis, whereby workers agreed for moderate reduction in employment, phased deployment of

labour on rotational basis, freeze or reduction in wages, dearness and other allowances, moratorium on trade union rights, greater flexibility for employers in introducing changes in technology, work practices and workforce deployment, and linkage between pay and performance.

Other measures considered in several cases include setting up a separate corporation or agency, as in the case of British Steel, for active labour market interventions in terms of special investments to create jobs; alternatively, as in the case of the Japanese Railway privatization, surplus workers can be temporarily transferred to a common pool (Government of India too is proposing one for civil servants rendered surplus due to delicensing, deregulation and austerity measures), pay some compensation and impart retaining in marketable skills for rehiring in related (downstream/ upstream/ancillary/vendors/suppliers firms) or government jobs and/ or provide active labour market assistance to find self-employment services and the like as had been the case with Esso Refineries in India in the 1960's. Handing over the sick units to workers' cooperatives with special arrangements to wipe out the accumulated deficits and/ or phasing out loan repayment schedules, waiving or reducing interest rates for a certain period, purchase preferences and other exemptions are the other methods to help give a fresh lease of life to the sick units which have the potential to survive and, thereby, minimise job losses. In all such cases, however, the relative costs of different options from a social and labour point of view itself need to be reckoned with.

Relatively few jobs may have to be sacrificed if more have to be saved. Most rehabilitation packages announced by the Board of Industrial Financial Reconstruction (BIFR) provide for union agreements consenting to reduction of a certain proportion of jobs.

Job loose may be more without restructuring than with restructuring as the textile industry example clearly demonstrates.

The following issues may be summarised under this category.

- (i) How to prevent the retrenchment of low-skilled and surplus workforce due to increasing modernization.
- (ii) Issues of relieving and redeployment of the retrenched and surplus workforce.

In absence of a proper recruitment policy, lack of effective administration, absence of contracted execution policy for temporary workforce and vested interest of certain groups have created the surplus workforce affecting the performance in terms of morale, discipline and utilization and thereby retrench or layoff.

Overstaffing is one of the chronic problems in many govt. owned utilities. Overstaffing is a financial burden to the utilities and destroys the discipline and morale of the staff. Surplus staff may be reduced through attrition, voluntary retirement, retraining , and redeployment, keeping the age, skill and performance profile of the existing staff in mind; layoff is always a problem, no matter what reason, as may be seen from the following example:

Layoff/Downsizing Problem: Layoffs at Hyundai, Ulsan Complex, South Korea were the first major workforce reductions since legislation was adopted in Feb., 1998 making it easier for companies to shed workers.

- (a) Mr Park Byung-jae⁴, President of Hyundai Motor, Ulsan (South Korea) told reporters at the factory here, “We decided to suspend operations indefinitely from 3 pm (600 GMT) today, as normal production seems to

have become impossible because of violence and destructive activities by unionized workers”.

Downsizing is a key component of South Korea’s programme of economic reform agreed with the International Monetary Fund in return for IMF financial aid to help the country through its worst economic crisis in decades. The crisis has laid low several other Asian economies as well.

“No issue can be solved by violence or destruction. Law and Order must be maintained in any case,” Mr Park Said. The labour ministry said that minister Lee’s efforts to mediate the labour dispute at Hyundai Motor’s plant in the Southeastern industrial city of Ulsan had made no progress due to a lack of cooperation from both the union and the company.

Under torrential rains, women clutching children stood by their striking husbands, chanting “**save our jobs**”, while Union leaders exhorted workers holding leads pipes to stand firm.

Some 5,000 workers and their families have been camping inside the sprawling plant since July 20 in protest against mass layoffs by the country’s biggest auto maker.

- (b) John Burton in LONDON said that the end to the month-long strike at Hyundai Motor, South Korea’s largest carmaker, restores an uneasy industrial peace to the nation’s depressed economy, but could represent a setback to efforts to promote **labour reforms**; it succeeded in persuading 6,100 workers to accept **early retirement**, but strikes erupted when redundancy notices were issued to another 1,600 workers.

“I’m glad it didn’t end in violence, which could have triggered national **labour unrest**. But the deal shows the problem of introducing labour market flexibility in Korea when the scope for **corporate restructuring** is huge”, said Market Neale, research head at Dresdner Kleinwort Benson.

“Workers were not treated like human beings until 1987” when unions were legalised, said Lee Jae-in, a Hyundai union leader. This has bred resentment among Hyundai workers, who have staged strikes almost annually.

- (c) Commercial vehicles major Ashok Leyland, Chinnai, seeing no signs of recovery from the deep recession the auto industry finds itself in, has now begun a three-day work week. Workers do not work for the remaining four days. Now the company will work on Tuesday, Wednesday and Thursday only. For this, the workers will be paid, as laid down by the state government 50 per cent of their wages. Earlier, the company was paying its workers full wages.

After a 30 percent plus drop in sales last year, Ashok Leyland has been hit by a 16 percent drop in sales in the first quarter of the current year.

- (d) BRITISH engineering group Vickers Plc today announced plans to shut down its Leeds-based tank plant next year, axing 650 defence jobs in total, under plans to reduce the total group headcount by 22 per cent. The group’s total workforce is just over 5,000. **“This is a terrible blow”**, said Mr Ken Jackson⁷, general secretary of the Amalgamated Engineering and Electrical Union, speaking at the Trade Union Congress conference here.

Vickers today announced it was axing 1,136 employees, including 650 people that produce tanks. It plans to close down its Leeds tank manufacturing plant in northern England.

- (e) **HAIG SIMONIAN** and **NIKKITAIT** said that It has not been a good days for Jack Smith, Chairman of General Motors. But then it has not been a good quarter century for his company either. Last week, GM finally settled two strikes at crucial US plants which had crippled production in North America.

Nevertheless, in an industry where everyone is racing to become more efficient, analysts reckon GM still needs to shed more than 35,000 employees to reach Ford's current standards, and perhaps more than 50,000 to match the best of the Japanese.

SYSTEMS

The Managers should reduce the need for future retrenchment, redeployment, & Voluntary Retirement Scheme (VRS) by proactive HRM, within the broader frame work of competent Corporate Management as follows:

- a) Superannuation, at the agreed age of 58 or 60 years can easily be forecast well in advance. The aim should be to retain HR till retirement. Nevertheless, in a competitive environment, there is bound to be some turnover. The organization should try to retain the relatively higher quantity HR. The Succession planning is still needed for the estimated turnover. There should also be a system of exit interviews.
- b) The accumulated weight of past errors of omission and commission can be partly corrected through retraining and redeployment. It is possible that

there is a segment of HR which may not be able to absorb such inputs and cope with new task, technology, system and other skill requirements. They need to be offered a reasonably attractive **Voluntary Retirement Scheme**.

- c) Through whichever route an employee leaves-retirement, resignation or VRS-it is necessary to ensure a graceful separation. Improve internal administrative and accounting practices to settle all dues in good time. Further, treat those leaving the organization by any of the above routes as "alumni". There are many creative possibilities. Send them the house magazine. Give them access to library, club and medical facilities. Invite them to annual get together.

CATEGORY "E": ISSUES RELATED TO THE SELECTION, TRAINING, DEVELOPMENT AND RETENTION OF EMPLOYEES.

The process of Selection consists of three stages-recruitment, screening and selection.

The first stage in selection is to make the vacancies known to a large number of people and the opportunities that the organization offers. In response to this knowledge, potential applicants would write to the organization. The process of attracting people to apply is called **recruitment**. Flippo (1971) defines it "as a process of searching for prospective employees and stimulating them to apply for jobs". It is different from selection which begins after recruitment has ended. While recruitment is a process of attracting people, selection is a process of choosing a few among those who have been attracted. Technically, though these two terms are different, in common language they are often used interchangeable.

An interaction of these two processes results in what is called selection ratio. It is the ratio of people to be selected from those applied. It the number of applications

generated are few, selection may not make much sense (ratio will be high). On the other hand, low ratio would ensure better choice from amongst those available.

Recruitment is done by using a number of methods as given below.

- i) **Compulsory Notification of Vacancies Act, 1959:** Immediately after Independence, National Employment Service was established to bring employers and work seekers together. During the second plan period the Compulsory Notification of Vacancies Act of 1959 (commonly called Employment Exchanges Act) was instituted.

The act applies to all establishments in the public and private sector where more than 25 persons are employed to work for remuneration. The employment exchange will send a list of registered candidates who qualify on the minimum requirements given by the organization. The organization may select some of them from this list. A study conducted by Gopalji (1983) on 31 organizations throughout the country revealed, that recruitment through employment exchanges was most preferred for clerical personnel.

Other commonly used methods are employment agencies, advertisement, campus recruitment, deputation, professional association, word of mouth, & casual applications. Raiding is another method which is nowadays used quietly & very often. Raiding is a technical term used when employees working elsewhere are attracted to join organizations. The organizations are always on the lookout for qualified professionals, and are willing to offer them a better deal if they make the switch.

In the overall process of selection, screening comes after the recruitment is complete. Screening is a process of reducing the number of applicants to a few who have better chances of selection than those screened out. Screening is generally done on two counts – eligibility and suitability.

Screening can be done by using a variety of methods. Some of these methods are

- i) Preliminary Applications,
- ii) Tests of De-selection &
- iii) Screening Interviews.

In today's highly complex and competitive situation, selection of right personnel has far-reaching implication for an organization's functioning. Employees well-selected and well-placed would not only contribute to the efficient running of the organization but offer significant potential for future replacement. Hence, building and maintaining an effective human organization becomes the most important management function.

The significance of selection is highlighted in many ways. According to Denerly and Plumblay (1969), recruitment is concerned with both engaging the required number of people, and measuring their quality. It is not only a matter of satisfying a company's needs, it is also an activity which influences the shape of the company's future. Mandell (1964) describes it as a process that not only helps to select and fill a vacancy physically, mentally, and temperamentally but also helps to develop an employee into a desirable employee. Selection process searches persons with potential who would grow in the organization.

The process of selection begins with the understanding and definition of the job to be performed by those involved in selection. These are then converted into job

specifications (qualifications) which are made public. Job opportunities should be published in such a way that they enable the organization to draw upon prospective candidates from a wide cross-section of the society. Selection has no meaning if the applicants available for a vacancy are of the same kind in terms of their education, socio-economic status, and experience. In such a case the organization does not have to select but choose at random from the applicants. Planned selection through techniques that are objective, reliable, and valid ensures better choice of employees. Systematic and planned selection helps the organization to derive the following advantages.

- i) It helps to generate only relevant applicants through a self-selection process on the part of the potential applicants.
- ii) Careful selection is functional in choosing highly motivated employees and thus develop a culture of a committed way of work life.
- iii) Proper selection also ensures high degree of satisfaction among the employees by letting them know that their capabilities are being properly utilised and that they are not wasting their time and talent.
- iv) From the point of view of the indenting department, it ensures supply of the right type of personnel in a short duration of time.
- v) In any selection there are chances of selecting a wrong person and also chances of losing a right person. Systematic selection ensures minimization of such errors.
- vi) Selection is not a one-time affair. A sound selection system helps build the image of the organization.
- vii) Systematic selection is a tremendous blessing for human resource information systems.

Training: The beginning of training could be traced to the Stone Age when people started transferring knowledge through signs and deeds to others. Vocational training started during the Industrial Revolution when apprentices

were provided direct instructions in the operation of machines. Training and development is increasingly recognized, now, as a most important organizational activity. Rapid technological changes require newer skills and knowledge in many areas. Training has to be continuously offered to keep employees updated and effective.

There are some who believe that training has unnecessarily been given undue importance and that the experience on-the-job is good enough to develop necessary skills and efficiency to perform the job. It is true that training cannot entirely substitute experience, but it has certain definite advantages over it.

1. Training, unlike experience can shorten the time required to reach maximum efficiency.
2. Cost of training is much less than the cost of gaining experience, particularly if one is dealing with expensive equipment.
3. The results of experience can sometimes be accidental, particularly when experience depends solely on trial and error.
4. The element of predictability is far less when compared to the outcome of a well conceived and conducted training programme.

Training thus provides certain advantages which are not available by learning through experience. Training function can be broadly divided into five segments – training objectives, identification of training needs, training methods, administration of training programmes, and training evaluation.

Most discussions on the objectives of training, generally deliberate on its relevance from the point of view of organizations. Little attempt is made to study what the participants want from such training programmes.

A variety of training methods are available and used by training agencies and organizations. The choice of a method or a mix of methods is a function of a number of considerations. Lecturer, on-the-job training, simulation, experiential, programmed instructions are the methods which may be used depending on the need of the organization and employee.

Employee Development: Employee development programme purports to enhance the skill and knowledge of the employees to advance in the company or to accomplish additional job responsibilities. The programmes can enable the organization to have a workforce which can make more contributions and adapt to changing situations. Among these are included on-the-job training and apprenticeship training. Since most jobs in industry can be learned in a relatively short period of time, on-the-job training method is the most widely used.

Apprenticeship programmes are designed for a higher level of skill and knowledge. In large organizations, there may well be several hundred apprentices of varying types.

The supervisory staff need training most, for they form a very important link in the chain of administration. The training programmes for supervisors must be tailor made to fit the needs of an undertaking. The training enables supervisors to cope with the increasing demands of the enterprise in which they are employed and to develop team spirit.

Managers are largely made, not born. This is a significant statement in modern management literature and forms the basis for numerous management development programmes. Management development is a systematic development of training and growth by which managerial personnel gain and

apply skill, knowledge, attitudes and insights to manage the work in their organizations effectively and efficiently.

Human Resource Development is concerned primarily with helping employees develop through training, feedback and counseling by their senior officers and other development efforts.

The potential appraisal system is linked with **feedback and counselling** because the individual whose potential is assessed should be told of the results of the assessment. Feedback should be given through counselling sessions. It should aim at helping the individual to discover his strengths and weakness so that he would develop career ambitions that suit his potential. It is the responsibility of the organization to use some mechanisms to give feedback to the individual. It will be useful for higher level officers to communicate to the employee concerned the results of his potential appraisal. Such communications can be either periodical or take place after the promotion interviews are over. The counselling should also help him to identify the mechanisms of the development of his new potential in areas that need such development.

HRD as a system depends on

1. work itself which generates a higher degree of responsibility for the employees;
2. the individuals personal and professional growth;
3. the improved quality output as a result of increased responsibility;
4. organization as an open system.

The following human issues are recorded under this category.

- i) How to make people adaptive to work in dynamic flat and net-worked systems and structures as opposed to static, closed and hierarchical systems and structures.

- ii) How to select and train people to become multi skilled who are driven by quality and higher order needs.
- iii) How to upgrade the existing employees as per the revised job objectives.
- iv) How to develop people for future roles.
- v) How to attract and retain more and more knowledge workers with global exposure who are comfortable working in a multicultural setting.
- vi) How to build teams of such cosmopolitan employees.

SYSTEMS

Several systems are being used as solutions to the above said Human Issues as follows:

Selection & Training: Developing the most important and complex resource, the human, has always been a matter of great concern. To prepare the employee to meet the challenging demands of the job, organizations have to provide opportunities for training, retraining and continuing education so that they are able to upgrade their knowledge and skills thereby contributing to the effectiveness of the organization. There are a host of training programmes being conducted either in house or by other agencies to improve the capabilities of manpower. Training has been rather an integral part of the total system in industry development or any other field.

The top and line executives need to appreciate the fact that just like there are markets for products and materials, there are also increasingly competitive markets for people. The traditional term in Economics is the "**labour markets**". It now should be widened to cover workmen, functional specialists and managers - all types of knowledge workers. There are demand and supply forces at work. The HR in-charge needs to track these forces and appraise top management, along with his recommended strategies for attracting the right HR. The image of the

company and its management business growth and career prospects need to be projected, with a blend of reality and style. The selection methods and interviewing skills need to be improved.

Many firms move executive around the world and also do on campus recruitment in order to do the best selection. This means that person selected should be mature and emotionally stable while possessing all relevant managerial and technical competencies. Several companies use interviews, tests and assessment centers for selecting managers. In absence of such selection, more knowledge workers with global exposure may not be attracted.

Organization can meet the challenges only when a motivated workforce acts jointly to achieve the set goals; the efforts made in an integrated fashion to include human resources at every step of achieving organizational goals will yield the total result. This ensures the right selection and then the task is to induct with proper motivation. The training should be such that makes the person integral part of the organization.

Global managers must be more versatile, more sensitive to global issues and make faster inroads into the new social milieu. Recognizing this, many successful firms focus on providing additional orientation, training and development activities for their international staff. The orientation should touch on the policies, place, procedures, and people whom the new job incumbent will encounter in the near future.

Most employees look forward for an opportunity to undergo training in their organization to enhance their career pursuit. Such training imparted by organizations would better equip them in for a promotion in the organization. Many organizations view training as an investment and not expenditure and hence

organize training programmes for their staff and executive. Many senior managers too who are identified as 'Star' performers are sent abroad for training⁹.

Most of the Training Managers working in public enterprises feel that training has not been accepted by the top management as an important activity of the organization. While the State Public Undertakings are engaged in a wide spectrum of activities, but training is one of the most neglected aspects of their personnel management. Formal training and development has a complementary role. The individual, his superior and the Trainer should jointly identify the training needs and respond to them.

Lack of Training facilities for Employees or inadequate training facilities for staff and officers resulted in improper operation and maintenance work, increase in fatal and non-fatal accidents, poor maintenance record, poor customer service, & execution of non-standard works.

The significance of public enterprises and their role in India's national development needs no emphasis. And it is also known that the difference between success and failure of a business is often due to the quality of the management. The only aspect that has not been well analyzed, appreciated and admitted is the need for Top Management Training and Development in the public enterprises. There is an absolute need for training and development of the managers.

At times it is observed that many talented and enterprising employees look for greener pastures in business of their own¹⁰. Organizations should support such entrepreneurial activity and allow them to show the creative spark by letting them develop new projects and products. At 3M, Minnesota there are three approaches to develop new products – skunk-works projects, which are appear-headed by employees; traditional development, in which business managers and researchers

work together to create new products and improve existing ones; and pacing programmes, which consists of a small number of products and technologies that they think will produce substantial profits in two years time or even less¹¹. They let employees spend 15% of their time on project of their choice. Scotch-Brite-Never-Rust Wool is a product of such a programme.

An employee's performance is greatly determined by his interpersonal ability. Standard Chartered devises training programmes to cater to its need of the moment. For example, the outdoor management program, in which a group of wary city-slickers are made to live in tents, bottle in freezing rivers and participate in strenuous games, aims at fostering team spirit¹². So while companies like Standard Chartered have started yoga component to their stress management program, other like Indian Oil Corporation Limited (IOCL) conducted regular classes which invariably get filled up months in advance¹³. Lack of such activity keeps the employees stagnated and does not allow the employees to upgrade as per the revised job objectives.

There are other aspects which are outcome of training as given below:-

a) Leadership with Vision: It is difficult to visualize the change process for any organization without developing a clear vision for the future, keeping in view the strengths and weaknesses of the organization, and a careful scanning of the environment to identify the sources of opportunities and threats. Developing a vision involves strategic planning and conscious decision making on the long-term goals of the organization. However, the long term goals should not be in conflict with the short term objectives of the organizations. No doubt, developing vision for the organization is primarily an exercise which is initiated by the top management of an organization, but when the vision is shared with the other employees of the organization it will promote team spirit, cooperation and

commitment in the realisation of the vision. It also reduces the need for close supervision while transforming the vision into a reality.

b) Implementation : Developing a vision may not be that difficult a proposition as compared to the implementation of that vision. To make the process of implementation easier it is necessary that the strategies for implementation are carefully planned keeping in view the availability of resources and the ability of the different members to perform the various tasks. It is also necessary to anticipate the problems that would arise at the different stages of implementation and the course of action to be followed at the planning stage itself.

c) Building Teams : Most organizations have the best of people who contribute significantly on an individual basis, but one aspect that is generally lacking is the ability to work in teams. As team effort rather than individual effort is essential to bring about change, the HRD system should take all possible measures to encourage the spirit of team work, where more than individual excellence, group activities and accomplishments are appreciated.

d) Adaptability : One reason for the resistance to change could be that though the employees are convinced of the need for change, they may lack the capability to adapt. Before initiating change it is essential that employees are sufficiently trained, so that the adaptation process becomes easier and smoother.

e) Professional & Personal Growth: The first HRD exercise was undertaken by Larsen and Tourbo limited. The exercise consisted of requesting a term to study various aspects of performance appraisal, potential appraisal, employee counseling, career development and planning, training and organizational development. The study team suggested many changes in the practice of these systems to help improve professional and personal growth of the individual and,

consequently, growth of the organization (Pereira, 1985). A number of other organizations like Sundram-Clayton, State Bank of India, Bank of Baroda, EID-Party (India) Ltd. have started the practice of HRD.

HRD is based on three assumptions; When HRD activities are based on these assumptions, only then HRD can achieve its ultimate aim of improving quality of life.

1. When a new concept of people, based on understanding of their complex and shifting needs, is developed.
2. When a new concept of power based on codetermination is accepted by management.
3. When an organization develops a new concept of human values based on humanistic and democratic ideals.

Retaining Employees: The challenge of attracting and retaining talented manpower exists in all sectors of business activity, be it consultancy, manufacture or the service sector. The impact of the attraction/retention strategies could be presented in the form of eight vertices (i.e. Work Culture, Job/Career, Team, Compensation, Titles, Golden handcuffs, Individual, & Values). Values, work culture, career planning and job design have key role to play in attracting and retaining talent. While attracting & retaining talent is influenced by each of the eight vertices, this responsibility does not vest with the HR professionals alone. There is much that can be done by the other departments of the organization. Y. Sriram & Abhijit Bhaduni said that surprisingly, it emerged that designations did not succeed in attracting and retaining talent.

Family owned and managed companies such as the Aditya Birla Group (ABG) had some unconventional and unsung strategies to retain people especially at

senior levels. In such companies loyalty and honesty were valued greatly and employees who stayed with the group enjoyed virtually life time employment.

DHL, a company in the service sector reported a struggle around vertices, values in retaining good people because of a non-competitive compensation structure. The company saw the entry of other global players as a major threat to its talent retention strategies. Hence, it may be safe to conclude that strategies to attract and retain form part of the entire HR System in an organization.

CATEGORY “F”: ISSUES RELATED TO EMPLOYEES’ MORALE AND ORGANIZATIONAL CLIMATE SETTING.

More than two and a half decades ago, Seashore (1954) came to the conclusion that there is no definition of **morale**. It is a condition which exists in a context where people are motivated towards high productivity, want to remain with organization, act effectively in crisis, accept necessary changes without resentment or resistance, actually promote the interest of the organization, and are satisfied with their job.

According to this description of morale, job satisfaction is an important dimension of morale and not morale itself.

Morale is a general attitude of the worker and relates to group i.e. industrial morale is a collective phenomenon which emerges as a result of adherence to group goals and confidence in the desirability of their goals.

Many leave organizations because their existing job does not provide enough satisfaction and the challenge. There are many for whom money may not be a major consideration but they look for a work environment where they are in a

position to demonstrate their competence & have satisfaction of contributing something worthy.

People also look for a change if there is a cultural barrier and assimilation process is not smooth. Therefore importance is being laid on seeing that new recruit knows the organization in totality so that he adjusts in the organization and is not unfamiliar with people , product, process & procedure. As such importance is being given on socialization and building an identification with the organization. At television, for example each weekend there is a gathering of people from all departments for an informal social⁴. The objective of these meetings is to define an identity and a culture of their own.

The employees also leave because the management since inception did not attribute due importance to HRD, thus, resulting apathy, indifference, low morale and demotivated workforce.

The challenge in front of us is now to create an organizational culture which encourages openness, collaboration, trust, proactivity, autonomy, and experimentation & faces the following issues:-

- i) How to enhance employees' morale apart from their competence.
- ii) How to make employees self-accountable and empower on their jobs.
- iii) How to build a learning environment in the organization.

Organizational morale is basically a mental condition which leads individuals and groups willingly to subordinate their personal objectives, temporarily and within reason, to further the company's objectives. Good morale is evidenced by employee enthusiasm, voluntary conformance with regulations and orders, and willingness to co-operate with others in the accomplishment of an organization's

objectives. High morale leads to a high degree of cohesiveness, togetherness and group effectiveness.

The important factors which have a bearing on morale are: (i) the attitudes of executives and managers towards their subordinates; (ii) working conditions, including pay, hours of work, and safety rules; (iii) effective leadership and an intelligent distribution of authority and responsibility in the organization; (iv) the design of the organization's structure which facilitates the flow of work; and (v) the size of the organization.

SYSTEMS

A sound **organizational climate** is extremely important for the ultimate achievement of organizational goals. Organizational climate is normally associated with job performance and job satisfaction and morale of the employees. Climate is a commonly experienced phenomenon and often referred to by many expressions as atmosphere, surrounding milieu, environment and culture etc. Organizational climate is very important factor to be considered in studying and analysing organizations because it has a profound influence on the outlook, well-being and attitudes of organizational members and, thus, on their total performance. It affects the behaviour of people in three ways:

- i) Defining the stimuli that confronts the individual.
- ii) Placing constraints upon the individual's freedom of choice.
- iii) Providing source of reward and punishment.

Organizational climate, furthermore, provides a useful platform for understanding such characteristics of organizations as stability, creativity and innovation, communication, and effectiveness etc.

Organizational climate should be viewed from total system point of view. Some theorists may be of the opinion that “there are as many climates as there are people in organizations” . There may exist different climates within different departments (or subsystems) in the organization, and these sub-climates will be integrated in the similar fashion of integrating attitudes of employees, so as to form the organizational climate. In organizations, there may be differences in climates in different work units, as we commonly observe. It is because one type of climate may be suitable to one particular unit and the same may be unsuitable for another unit. It has been pointed out that an effective climate in a simple and static environment may prove to be dysfunctional in a dynamic and complex environment. At the same time it should be noted that the climates of different organizational subsystems are seldom radically different. Therefore, instead of taking a fragmented view of climate in a particular subsystem, the total system may be more meaningful to study and analysis.

In every organization there exist certain factors that exert profound influence on the existing organizational climate. In some organizations certain factors like structure, or process plays a major role. Whereas in other the level of technology may be the major influential factor in climate.

In order to create employees’ good morale and environment, the organizational climate factors need the following to be improved.

(i) Innovation: To be able to manage change effectively and to create conducive environment, the emphasis should be on building organizational capabilities which would require learning new skills and behaviors, both by the organization and its members. The organization should be supportive and encouraging towards the creative and innovative efforts of its members by providing flexibility and autonomy to the departmental and functional heads of the organization. In other

words, there should be a shift from centralized to decentralized decision making. Involvement of the employees in the decision making processes which have a direct bearing on the employees, such as target setting, allocation of work, work norms, work practices, introduction of automation, etc. is another challenge.

(ii) Involvement : To prepare the people for the change and to make them active participating members in the change process it is necessary to involve them in the process, right from the initial stages of identifying the problem and also in finding solutions of problem. Employees should be encouraged to find creative solutions to the various problems they face and there should be autonomy with accountability. Some of the ways of involving people are by seeking suggestion, consultation with employees, taking the employees into confidence, etc.

Design and install a Goal and Work Planning System (GWP). Each executive, should be invited to participate, with his senior, in evolving goals on multiple parameters for himself, as part of the overall team and organizational goals. He should also develop strategies and a time bound work schedule, to achieve the goals. The goals should have some common features and some unique to the individual his role and context, so as to bring out the best in him. After vigorous implementation, he must do periodical self-monitoring of progress on the GWP.

(iii) Communication : An effective communication system is a pre-requisite to ensure the involvement of the employees in the change process. Change necessarily involves a shift in emphasis on the different goals of an organization, and at times setting of goals in areas not earlier ventured into. As such, if goals and targets of the organization and the role or contribution of each employee towards the attainment of that goals not made crystal clear to the employees, through the process of communication, the organization will not get the willing cooperation of the employees for the realisation of the organizational goals. The

communication process should not be a one way process, as is generally the practice. It must essentially be a two way process, where the employees also get an opportunity to express their views and offer suggestions & feel elevated.

(iv) Delegation: For better utilisation of competent and developing HR, the leadership style needs to be facilitative enabling and empowering. It can be manifested in the following kinds of behaviours. Encourage subordinates to make full use of formal delegation. Go beyond and give them informal delegation. Invite discussion, debate and constructive dissent. Expect creativity, innovation and high contribution. Provide strong resource support. Manage the boundaries within and outside the organization for high productivity and performance. Give credit in public and feed-back in private.

(v) Job Sharing: In view of growing unemployment, low productivity and emergence of dual-career at family level, job sharing will be the future trend. Distinction of worker and officer will disappear and will emerge as a composite employee. There will be consolidation of various cadres of officers who will join with workers to form Federation of employees. Labour-Management relations will be more collective business; instead of across the table, it will be round table. Worker-owned cooperative business will increase. External leadership in Trade Unions will totally be replaced by internal leadership.

(vi) Future HR Managers: Future HR Managers should develop the ability to be perceptive toward themselves, their superiors, colleagues and subordinates, their organizations, its goals, resources etc. They should be sensitive and empathetic to the people, events, and objects around them. The strength of future HR manager would be in helping others make decisions for themselves. Changes in the HRM functions, to a large extent, reflect the changing needs of the organization, dictated by socio-economic changes in the country. Changes in the organizational

atmosphere , the hopes and aspirations of the workforce and the external environment all call for an innovative problem solving approach from the HRM department. We are in a transitional society. Each HRM man will have to undergo a serious introspection about his role and himself. The power always lies in one's effectiveness and usefulness. It also lies in its capacity influence other organizational disciplines as well as workers. The functions of the HRM in future will definitely be enlarged from traditional areas. With growing HRM needs, new dimensions will be added. The HR managers of tomorrow will have to involve themselves in all functional areas of an organization. He will need training not only in personnel but in production, marketing understanding of the problems of employees in various functional areas.

(vii) Human Relations: As per a survey conducted in U.S., 85% of the success of an organization is because of **Human Relations**. This proves the importance of Human Relations more than any thing else. However, the competent person today should have the following qualities:

- (a) Ability to foresee changes and understand its implication.
- (b) Proper mind set to acquire new skills and techniques.
- (c) Ability to adopt them in his daily chores.
- (d) Maintaining good human relations.

(viii) Protection and Incentives: Compensation and protection go beyond pay and benefits. Pay is expended to compensate for additional taxes, living expenses and personal costs. Incentives may be added, especially for assignments to less desirable locations. Supplements may be given to cover extra costs of educating children, making return trips to the home country and paying wages of servants. Benefits may include a company car, a driver, club membership, housing and other perks.

(ix) Bilateral Relationship: The traditional personnel function was concerned with maintaining bilateral relationships between labour and management ignoring a major section of the workforce i.e. the supervisory and managerial cadre who are ultimately responsible for getting the output from the workers. It is now essential to have multilevel relationships involving different groups of employees.

(x) Automation of information related to human resource management like recruitment and selection; productivity improvement; salary and PF administration; are other challenges which have to be tackled effectively to speed up the decision making process. Obviously, decisions made on such data will be relatively more reliable and objective.

Today, the employers and employees as a united community has to face the challenge of competing with multinationals and the market leaders of the world. This requires cost controls, quality product and delivery on time apart from high-technology and increased productivity. Therefore, the collective bargaining can no more to perform and no more be an arena for confrontation: but a forum for cooperation to perform and prosper together.

CATEGORY “G”: ISSUES RELATED TO INDUSTRIAL RELATIONS

Developing healthy **industrial relations:** The major workforce in the organization consists of shop floor workers. A healthy work climate is essential. Attention also needs to be paid to the relationship among workers as individuals, and the relationship between the trade union and management. This function is being performed in all organizations to fulfil statutory obligations. However, HRS tries to ensure that there are healthy industrial relations and that conflicts are minimized to overcome the following human issues in this category:

- i) There is a great threat to industrial relations harmony due to industrialization and modernization.
- ii) There is an increasing politicization of unions and their resistance to the modernization processes because modernization reduces union's powers at times making them totally redundant.
- iii) Some unions start seeking management patronage for their existence.
- iv) Management has also been manipulating union actualities because of the working process of unions. In fact the balanced power structure between management and unions has pushed the unions to submit to the managerial dominance.

Many a time employees look for a change if the existing location does not provide adequate facility for education of children and health care. A care and concern for these things will facilitate retention. Hindustan Organic Chemicals Limited is one of the many organizations which has been able to retain people for many reasons but predominantly for a good school and a model hospital for its employees.

Sometimes stress in job and unpleasant working relationship/conditions lead to employees leaving the organization. Since 1991 from HM Ahmedabad exodus of 23 out of 61 faculty members can be attributed to this factor. It is ironical to note that one of the premier institutes in management is greatly mismanaged.

SYSTEMS

Organizations are trying every trick in the trade **to retain manpower. Many tangible benefits are being provided.** These includes:

- a) Tax-free incomes
- b) Attractive re-imbursement schemes
- c) Foreign travel

- d) Education schemes for children of employees
- e) Club membership
- f) Company car (with or without chauffeur)
- g) Generous housing loan
- h) Leased accommodation in good location
- i) Employment of spouses
- j) Product discounts
- k) Cash incentives
- l) Generous entertainment allowances

Buy-back schemes for household capital goods.

Extensive studies conducted by research agencies seem to suggest that money is not the main motivating factor either for change or for staying back. This is because these tangible benefits are now being provided by most of the organizations. As such employees look for something beyond this. These organizations should provide some intangible factors which would be irreplaceable, that is, factors which other organizations do not provide. They should provide a unique package of benefits that employees find it utmost satisfying and tie the employees to the organization. This however should be bound in the working conditions and work culture of the organization.

Share information with the Unions and workers about the new environment, prospects and problems for the industry and the company. At the same time, highlight the attractive scope for domestic and international business development. Help them to realize the imperatives of quality, productivity, cost reduction, delivery, service and customer satisfaction.

Companies should work at improving the Quality of Work life of their people. These include job enrichment, autonomy, decentralization, delegation and opportunities to contribute.

CHAPTER –IV

REVIEW OF RELEVANT LITERATURE

The purpose of this chapter is to present an extensive survey of studies relevant to the problem of the present research. With this aim in view the researcher made an effort to collect as much literature as possible on this problem in the Indian context.

In spite of her best efforts, the investigator could not find many researches which were directly related to the present study. She found only a very small number of studies conducted. With the bulk of the research literature being reviewed here, it is hoped that these studies will throw some light on the present investigation.

It will be evident from the review of the literature that most of the studies conducted during the early period were general surveys. No attempt was made to undertake empirical research on this problem. It was only very late that empirical studies were carried out in developed countries and very little work was done in developing or underdeveloped countries.

The various studies which are being reviewed here may be classified into two broad categories:

(i) those in which no attempt has been made to relate the subject with other variables, they are general surveys. In this category a number of studies that are reviewed here are reprinted from *Harvard Business Reviews (HBR)* by various researchers.

In one of the earliest studies, Quinn (1967) reprinted from HBR that for years technology has been the dominant force creating **change in men's lives**. Yet only

recently have managers in **public and private organizations** realized the need to forecast technological change and its impact on their activities. Economic forecasts, market forecasts, financial forecasts, even weather forecasts have become standard tools of management.

Several other studies of that time have suggested that clearly perceived demand tends to be the primary force stimulating **technological change**. In fact, a technology is only utilized if it responds to a need. Otherwise it remains a capacity and never becomes a functioning reality. Consequently, if one can identify important future needs which would be inadequately met by current technologies, he has an excellent starting point for analyzing prospective technological advances. If an anticipated demand is strong enough, it will generally call forth the human and physical resources necessary to attack its technological problems. Once stimulated and adequately supported, **human imagination is likely to solve these problems**.

In another related study reprinted by North & Pyke (1969) from HBR, technological forecasting is further supported that it might well be invaluable for corporate planning for the years ahead, say, for the next 30 years? As specialists can testify, some very accurate methods have been devised for making this kind of prediction, and now business is beginning to apply them in its own development planning.

The faster a racing car travels over a cross-country course to its destination, the farther ahead the driver must look if he is to avoid collisions and manage the obstacles in front of him. This image applies very accurately to the technologically oriented company of today: the company itself corresponds to the racing car; the pace of industrial advance to the race forward; the company's corporate goals to the destination at the end of the race; technical difficulties,

market variabilities, and competition to the obstacles in the course; and technological and market forecasting to the driver's distance vision. Unlike the racing car, however, the company may not even have a fixed destination-its goals are likely to shift as the world changes.

In another similar study reprinted from HBR by Boettinger (1970), the main finding was that peak performance can never be achieved without peaks in the two domains- the **human & technological**. So says this author in analyzing the effects "human-oriented, market-oriented technologies" can have on the individual manager.

Lawrence (1969) reprinted a similar study from HBR to say that the real problem is not technical change but the **human changes** that often accompany technical innovations. That people do not resist technical change as such and that most of the resistance which does occur is unnecessary. Actually, what employees resist is usually not technical change but social change-the change in their human relationships that generally accompanies technical change.

This "HBR Classic," was first published in the May-June 1954 issue of HBR. It has been used and reused by businessmen ever since; requests for reprints, for instance, have continued steadily to this day (1969)-evidence that the author's analysis of the problems and of how to deal with them continues to be valid.

One of the most baffling and recalcitrant of the problems which business executives face is **employee resistance to change**. Such resistance may take a number of form-persistent reduction in output, **increase in the number of "quits", and requests for transfer, chronic quarrels, sullen hostility, wildcat or slowdown strikes**, and, of course, the expression of a lot of pseudological reasons why the change will not work. A solution which has become increasingly popular for

dealing with resistance to change is to **get the people involved to "participate" in making the change.**

In the 15 years till 1969 since this article was published, we have seen a great deal of change in industry, but the **human aspects** of the topic do not seem very different. The **human issues** associated with change remain much the same even though our understanding of them and our methods for dealing with them have advanced.

Schoen (1969) reprinted from HBR in which it is said that technological innovation takes place in organizations of any size only when top management is itself firmly committed to such a goal and is involved in the process.

In a slightly different recent study reprinted by Ghoshal & Bartlett (1995) from HBR it was found that large companies i.e. their top managements were becoming increasingly inflexible, slow to innovate & resistant to change. Percy Barnevik, ABB's CEO & President., himself takes a dim view of complex formal business structures. They tend to be slow, inflexible, and bureaucratic, he notes. "Worse still," Barnevik says, "such organizations create barriers between them-selves and their customers, take initiative away from those who need to exercise it, and attract and promote the kind of people who operate well in that kind of environment. We wanted to build an organization with the opposite characteristics." In other words, for all their growth, large companies were becoming increasingly inflexible, slow to innovate, and resistant to change and if their companies could not achieve growth internally, managers bought it through mergers and acquisitions.

Finally, in an effort to solve the problems we now see so clearly as the consequence of hierarchical structure, companies around the world have spent

much of the past decade trying to adapt those structures. **They have downsized by cutting out layers and laying off staff**

Employees who share an organization's ambitions and values and whose jobs allow them to contribute to those ambitions and values have a four stronger incentive to collaborate than do employees whose sole incentives are financial.

In a similar study conducted recently & reprinted from HBR by Kotter (1995), the main finding was that worse of all are bosses (Top Management) who refuse to change & who make demands that are inconsistent with the overall effort. In another study reprinted from HBR, Drucker (1975) pointed out that to be effective, an innovation has to be simple and it has to be focused. It should do only one thing; otherwise it confuses people. Indeed, the greatest praise an innovation can receive is for people to say: "This is obvious! Why didn't I think of it? It's so simple!" Even the innovation that creates new users and new markets should be directed toward a specific, clear, and carefully designed application.

In one of the studies mentioned just before (reprinted from HBR) Kotter (1995) also found that over the past decade, I have watched more than 100 companies try to remake themselves into significantly better competitors. They have included large organizations (Ford) and small ones (Landmark Communications), companies based in the United States (General Motors) and elsewhere (British Airways), corporations that were on their knees (Eastern Airlines), and companies that were earning good money (Bristol-Myers Squibb). These efforts have gone under many banners: total quantity management, reengineering, right sizing, restructuring, cultural change, and turnaround. But, in almost every case, the basic goal has been the same: to make fundamental changes in how business is conducted in order to help cope with a new, more challenging market environment.

The most general lesson to be learned from the more successful cases is that the change process goes through a series of phases that, in total, usually require a considerable length of time. Skipping step creates only the illusion of speed and never produces a satisfying result. A second very general lesson is that critical mistakes in any of the phases can have a devastating impact.

In a similar study reprinted from HBR by Pascale, Milleman & Gioja (1997) it was pointed out that the problem is that the whole burden of change typically rests on few people. In other words, the number of people at very level who make committed, imaginative contributions to organizational success is simply too small. More employees need to take a greater interest and a more active role in the business. More of them need to care deeply about success. Companies achieve real agility only when every function, office, strategy, goal, and process - where every person - is able and eager to rise to every challenge. This type and degree of fundamental change, commonly called revitalization or transformation, is what more and more companies seek but all too rarely achieve. The first step towards restoring organizational vitality is to engage every employee in the company's principal challenges. Employees must understand where the enterprise is going and have some say in its destiny.

In another interesting study by Duck (1963) it was found that for decades, managers and workers have been told **to check their feelings** at the door. and that's a big mistake. It's one thing to say that behaviour is more accessible to managers than feelings are; it's another thing altogether to say that feelings have no place at work.

Change is fundamentally about feelings; companies that want their workers to contribute with their heads and hearts have to accept that emotions are essential to the new management style. The old management paradigm said that at work

people are only permitted to feel emotions that are easily controllable, emotions that can be categorized as "positive". The new management paradigm says that managing people is managing feelings. The issue isn't whether or not people have "negative" emotions; it's how they deal with them. In fact, the most successful change programs reveal that large organizations connect with their people most directly through values-and that values, ultimately, are about beliefs and feelings.

Closely related to the above investigation was a study reprinted by Hurst (1983) from HBR aimed at management-effectiveness. It says that Management by walking around was the key to **communicating with employees** in all parts of the company. As a result of the continual open communication, all employees appreciated the corporation's position. Their support has been most gratifying. One of our best talker-listeners (our president) tells of a meeting with a very nervous group of employees at one facility. After he had spent several hours explaining the company's situation, one blue-collar worker who had been with the company for years took him aside and told him that a group of employees would be prepared to take heavy pay cuts if it would save the business. It turns out that when others hear this story it reinforces their belief in the organization. We have found that **sharing our views** and incorporating the views of others as appropriate has a curious effect on the making and the implementing of decisions. Mr. Hurst was an executive Vice-President of Russelsteel Inc., subsidiary of federal Industries ltd., Canada.

Another closely related study reprinted from HBR by Greiner (1971) points out that Managers often fail to realize that organizational solutions create problems for the future (i.e., a decision to delegate eventually causes a problem of control). **Historical actions are very much determinants** of what happens to the company at a much later date. An awareness of this effect should help managers to evaluate company problem with greater historical understanding instead of "pinning the

blame” on a current development. Better yet, managers should be in a position to predict future problems and thereby to prepare solutions and coping strategies before a revolution gets out of hand. Mr. Greiner was Associate Professor of Organizational Behavior at the Harvard Business School and was the author of several previous HBR articles on organization development realized that solutions breed new problems.

Christensen (1997) found that Executives hone their management capabilities by tackling problems over and over again. Changing strategy, however, is not usually a task that managers face repeatedly. Once companies have found a strategy that works, they want to use it, not change it. Consequently, most management teams do not develop a competence in strategic thinking. In fact, they are unable even to see the need to change direction when the strategy that made the company great has become obsolete.

Another study reprinted from HBR by Hayes & Jaikumar (1988) aimed at manufacturing’s crisis. Its findings are that manufacturing managers have **new resources** with which to respond to these challenges a set of technologies that are collectively referred to as programmable automation. These include computer-aided design (CAD), computer-aided manufacturing (CAM), computer-aided engineering (CAE), flexible manufacturing systems (FMS), robotics, and computer-integrated manufacturing (CIM). These advances promise to improve everything: cost, quality, flexibility, delivery, speed, design-everything. A recent study of FMS systems in 20 U.S. companies showed that they had reduced by more than 50% the amount of labor required to perform the same work, and reduced total product costs by as much as 75%. FMS installations have achieved **significant reductions in the number of indirect workers and staff**, and therefore multiplying human issues.

Executives are discovering that acquiring as FMS or any of the other advanced manufacturing systems is replacing standard machines with programmable automation like replacing the old car with a helicopter.

In a completely different study reprinted from HBR by Ohmae (1989) the findings which came out are that Globalization makes **alliances**, an essential tool for serving customers. They are important, even critical, instruments of serving customers in a global environment. Glaxo, the British pharmaceutical company, for example, did not want to establish a full business system in each country where it did business. Especially given its costly commitment to topflight R & D, it did not see how it could or why it should build an extensive sale and service network to cover all the hospitals in Japan and the United States. So it decided to link up with first-class partners in Japan, swap its best drugs with them, and focus its own resources on generating greater sales from its established network in Europe. That kind of value creation and delivery is what alliances make possible.

In a slightly different study reprinted from HBR by Marx (1990) based on restructuring, the author says that in the fall of 1990, the company turned to SciexPlan Inc., a specialist in **employee-relations management** in worldwide companies, to help develop a program for the radical restructuring of the work environment, as **how the interests of a successful company correspond with the interests of individual employees**. Frankly, there was instability while the program was being developed and implemented. Some valued employees quit and others took early retirement.

In a closely related study to the above, Hinterhuber (1994) suggested that **people in leadership positions must constantly attempt to shape the future**. Like some other firms, Rolls Royce had experienced golden times and lean years, and this is typical for many other firms, been through several periods of changes, both in the

firm's internal structure and its external environment. However, in 1991, a mere 1768 cars were sold. In such situations, the demand for **restructuring** usually becomes vociferous. Rolls Royce abandoned the functional structure for its activities and substituted this function system piece by piece by the so called, 'Zone Management'; all activities from the receipt of the order to customer complaint are now organized into 16 Zones. 10 Team leaders report to each Zone Manager. The team leaders are responsible for six to twelve workers. These team leaders also assist in the carrying out of tasks allocated to the workers who are subordinate to them. **In this way the distance between worker and supervisor is reduced.**

The unions finally got wind of the new developments at Rolls Royce when the **number of people in employment was reduced from 5200 to 2243. The sackings took place** under the last in, first out principle, which is not always fair. Costs could be reduced by 55%, which reduced the break-even point from 2600 cars to 1300 cars. This testifies to the success of the restructuring.

Smith (1994) made systematic attempts to predict that more & more companies are supporting movements for social change while advancing their business goals.

Consumers all over the world are welcoming private-sector activism as never before. A study under-written by IBM found that citizens' expectations of corporate responsibility are as high in cities in Korea and Malaysia as they are in cities across the United States. Of course, there's a danger that companies will misuse the new paradigm to win over citizens with highly publicized social initiatives only to divert their attention from unjust corporate practices, such as underpaying workers or exposing them to unsafe conditions.

The above trend is supported by Goodman & Loveman (1991) which says that this new found faith in **privatization** has spread to become the global economic

phenomenon of the 1990s. Throughout the world, governments are turning over to private managers control of everything from electrical utilities to prisons, from railroads to education. By the end of the 1980s, sales of state enterprises worldwide had reached a total of over \$185 billion-with no signs of slowdown. In 1990 alone, the world's governments sold off \$25 billion in state-owned enterprises-with continents vying to see who could claim the privatization title. The largest single sale occurred in Britain, where investors paid over \$10 billion for 12 regional electricity companies. New Zealand sold more than 7 state-owned companies, including the government's telecommunications company and printing office, for a price that topped \$3 billion. Developing countries have also been quick to jump on the privatization.

(ii) Under the second category are reviewed here those studies which are from other than Harvard Business Review (HBR). In this category they are also general surveys as rare attempt has been made to relate the subject with other variables.

In one of the studies it is claimed that top managers are increasingly turning to Human Resource Development (HRD) mechanisms such as performance appraisal and team building for introducing organizational change. While the process of HRD as a way to help employees initiate and cope with change is appealing, top managers would do well to examine the appropriateness of the assumptions HRD makes about people and their values. HRD assumes that people prefer to change and that individuals have drives towards personal growth and development which are activated when the environment is supportive and challenging.

Singh (1989) argues that top management should examine the managerial culture of the group and the organization before introducing change through human resource development (HRD) interventions.

In another study conducted by Rao (1992) it is said that as the system HRD Intervention introduced in 1986 was a major departure from the past, the implementation was carefully observed. Constant efforts were made to evaluate whether the objectives of the system were being fulfilled. The HRD professionals must strive for better and better strategies for ensuring fair implementation. We in SAIL are looking forward to such strategies and interventions.

In one of the different studies, Kumar (1991) conducted an extensive survey to find out that Woolly concept of "Nehru socialism" which decrees that "the public sector should dominate the commanding heights of the economy" lives on. 'Liberalisation,' as we know it in India, is only relative. It just means that industry has been put on parole, instead of remaining under rigorous imprisonment. Eventually, only India and Albania may stand among the world's 162 sovereign nations as those with a full regimen of industrial controls. **Kumar argues that Privatisation is currently the vogue all over the world. Only India seems to be getting left behind.**

The performance of public enterprises has come in for considerable criticism on account of their alleged low productivity and dismal return on capital. The author, Dhameja (1994) analyses the causes behind the malaise and concludes that the restructuring option cannot comprise one single approach, be it full privatisation, partial privatisation or simply commercialisation but each case should be dealt with on an individual basis.

In another related survey, Kumar (1997) carried out a more detailed analysis where it is argued that change means opportunity as well as threats - opportunity to create something new and threat of losing out to competition. Organizations perceive change from a totally new perspective. Reengineering **restructuring**, downsizing, rightsizing, delaying, flattening, mergers, acquisitions, new

technologies, new markets, new customer preferences, government regulations, global competition and a regulations, global competition and a vacillating global economy all add up to one thing - CHANGE - and plenty of it.

In a related study conducted by Dubey (1995) the main finding was that **industrial restructuring** is the order of the day involving downsizing, closures and loss of employment. To cope with this workers safety net mechanisms are being established. In Philippines, there is automatic termination of employer-employee relations upon privatization. Normal termination benefits will accrue to the laid off employee. Ghana lays off surplus employees, but since costs of meeting compensation are high, payments are deferred over three years or more. The worker in Togo seems to be the worst off, a job lost is without any compensation or relocation (Economic times, 1993).

A different approach is seen in Canada and the USA, where retraining programmes are employer-driven. The Canadian Job Development programme provides for 60 percent wage subsidies to cover the costs of on-the-job training (OJT). Even more direct in its focus is the California Employment Training Panel (ETP). In this system, the employer proposes individual projects, selects trainees, sets standards, approves curricula and hires successful trainees.

Dr. Mehrotra (1995) concluded that **the restructuring** due to Global competition, it is also due to domestic competition and an effort towards cutting the fat in an enterprise so that survival and growth can be achieved. Major Problem in restructuring involves re-positioning of manpower which would involve training/upgradation/promotion to resolve the problem. While the present Government in India has not amended the Industrial Disputes Act with respect to retrenchment of employees, it has given a methodology to enterprises to reorganize their manpower through Income tax approved **Voluntary Retirement**

Schemes (VRS). The Department of **Public Enterprises**. Government of India has also laid down guidelines under which **Public Sector** Undertakings can offer Voluntary Retirement Schemes to their employees.

In a similar study Routray (1997) attempted to analyse the **HR-issues** emerging due to **restructuring** of power sector in **Orissa**, which is crucial in the context of the economic environment of the country. The major policy changes in the country due to liberalisation in form of deregulation and delicensing has been compelling the govt. owned enterprises to generate their own resources without govt. aid and subsidies. But one of the major problems of these organisations is inefficiency on one hand and over burdened surplus staff on the other. Keeping the above points in view, the Govt. started programmes to revamp these organisations through reform and restructuring. Three dimensions have been identified for the purpose viz. business restructuring, financial restructuring and organisational restructuring. Third one calls for delayering, more delegations, stress on values, attitudes, climate, skills and HRD.

In another related survey conducted by Gupta (1997) it was found that the first **restructuring** required in India is building a world scale domestic market by opening its economy to new products and services. The second task is to build world class competitors by enabling the economy to upgrade itself. For this India should be able to develop, over time, MNCs of Indian origin. India has to transform itself from a controlled planned economy to a market economy. The country must also allow mergers and acquisitions since none of the Indian firms have world scale operations. In some sense, India started its liberalisation from 1983 when the first phase ended in 1991. Under this liberalization, the MNCs from abroad have been taken as Indian partners to form joint ventures with foreign firms. In fact, it was easing the bureaucratic procedures such as speed of licensing and approvals. Two important characteristics of this period stand out -

Indian firms sought joint ventures as if it was a substitute to imports. MNCs were also delighted with the opportunity to participate and get to understand the Indian market at low cost. The initial investment was low. MNCs could then establish their brand names - first as "hyphenated brands" such as Maruti-Suzuki, Hero-Honda, and Modi Xerox- and they did not have the burden of exports. These joint ventures were not foreign exchange neutral to India. This is the time also when MNCs admitted to enjoy sizeable protection of the Indian market. As a result they brought sometimes second best technology. It is also important to know that the Indian firms appear to have paid little attention to the value of protecting and investing in their brand names. MNCs brands such as Honda, Toyota, or Suzuki were, no doubt, very attractive in the initial stages of liberalization to get the attention of consumers. However, as these MNCs brand names take hold and come to signify a level of quality, the value of the Indian part of the hyphenated become less and less valuable. Honda can survive in India today without Kinetic or Toyota without DCM. At any rate, without strong concern for brand identity, Indian firms will have a difficult time penetrating world markets.

After five years of reform India has been able to attain an industrial growth much higher than past long term one and an export growth, highest ever and higher than the world export growth. This signals India's success in improving competitiveness. Technology and management have now emerged as major determinants of power and wealth. With growth of technology and organization, chronic poverty must cease to be the inevitable lot of millions of people in all poor countries.

In a slightly different study conducted by Ramchandran (1997) it was found that normally, the **strategic alliances** of global corporations are moved by factors such as the economies of scale, technology development, market opportunities and neo-protection. The high technology industries are having problems in acquiring

control and maintaining it over all the critical technology elements in a single company. This explains why multinational enterprises like NIT of Japan and IBM of the United States have a technological patent exchange between themselves in areas of telecommunications and computers. Many of these corporations do not have the strength to exploit global market opportunities and often use alliances. What Indian manufacturers have to consider is that these alliances will be used increasingly against them to capture their market within the country and outside. It is necessary for Indian companies, whether export-oriented or entrenched largely in the domestic market, to study the impact of the strategic alliances among multinational corporations on their own export performance as domestic performance.

In a slightly different study carried out by Agarwal (1995) the main conclusion was that increased competition, threat from imports, liberalization of economy and **globalization** of business concept have forced many business houses in the Corporate world to **restructure** themselves. Many companies are opting for flat management structures, preferring flexible work and decision making teams to a rigid hierarchy. Business is identifying areas of core competencies, merging, buying and selling units to suit a future profile, looking constantly for an efficient organization and better bottomlines. The process, of course, cannot be bloodless. There will be pain, anguish, and sadness as jobs are redefined or lost, and businesses are closed or downsized.

In another study it was concluded by Swamy (1997) that **globalisation** refers to a free, uninterrupted international trade, characterized by global competition, freedom of mobility of capital, technology, knowledge, material and men both skilled and unskilled. But at present there is mobility only for highly skilled and talented workers. Therefore there is a wide difference in salaries of trained and

untrained persons and as a result fruits of globalization are eaten by only a few people.

Personnel Management has also undergone a **sea change**. It is not merely management of recruitment, promotion, training & welfare of employees. But now it includes human relations. If a person is merely called a worker, it will not bring his hidden potential to the fore. But if the same person is called as the Resource person there will be a dramatic change in him and he will contribute maximum time and efforts for the organization. Workers have to be treated as partners in the organizations. employer should not feel that he is doing a favour to the employed. the philosophy is 'I need you as well as you need me.

The Twenty First Century is Knocking at every door. We have to Rapidly improve our tools because those tools that were bought then are no more suitable and are relevant for 21st century. It requires Leader managers who are Courageous, Courteous, Committed and Competent. H R Man should be a change agent and should be a partner negotiator and Facilitator.

Another interesting approach offered by Fernando (1997) for overcoming **resistance** to change is put forward by John P. Kotter, Leonard A. Schlesinger. They state that all people who are affected by change experience some emotional turmoil and that even changes which appear to be "positive" or "rational" involve loss and uncertainty. They believe that for a number of different reasons, individuals or groups can react very differently to change, and that in order to predict the form that resistance might take the managers need to be aware of important reasons as to why people resist **change**. In a similar study conducted by Chauhan (1995) it is claimed that to be able to manage **change** effectively, the emphasis should be on building organizational capabilities which would require learning new skills and behaviors, both by the organization and its members. The

organization should be supportive and encouraging towards the creative and innovative efforts of its members by providing flexibility and autonomy to the departmental and functional heads of the organization. Delegation of authority will no doubt have to be combined with accountability. In other words, there should be a shift from centralized to decentralized decision making. In a closely related study Bhatnagar (1998) investigated that in the context of **rapid changes** taking place in the economic and business environment in the country, organizations need to transform themselves radically in order to seize new opportunities. Arguing that **organizational culture** is a crucial organizational variable that can facilitate or impede the change process.

In another similar study conducted by Chauhan (1995), the main finding is that the changes brought about by globalization, technological innovation, increasing competition and growth through expansion, diversification and acquisition, pose serious challenges to organizations in different areas of management. The most fundamental to all these areas is the area of Human Resources, because this is the most important and valuable resource of an organization. All other resources-technology, money, equipment etc. can contribute towards the effectiveness of an organization only when they are managed by motivated and committed people. In a slightly different study carried out by Patra (1997), the finding was that the Productivity depends not only on the degree of motivation of the rank and files but retention of the same by the managers is of immense importance, which is essentially depending upon the morale and job satisfaction of the subordinates, also the wishes and similar forces. High morale increases the group cohesiveness, better understanding towards the organisational goal, keeping abeyance individual interests. In another closely related study conducted by Minato (1995), the finding was as why there are so many small firms in Japan? The key to this question lies in the sub-contracting system which is basic to the character of Japanese industries. Major Japanese companies do not produce all goods on their own.

Instead, they rely on sub-contractors for a great deal of production and most of these purchases are from very small sub-contractors, according to the author.

In another related study Kumar (1997) carried out detailed survey to find out that yet the NRI's are considered bright and efficient people who achieve success all over the world. Why is it, then, that their social and intellectual counterparts in India achieve so little? Obviously the problem lies with management systems which are crying out for change and innovation.

Dr. Srinivasan (1992) conducted a similar study to investigate that the climate in which today's organisations are operating is drastically different from the one they were in just a decade ago. The shift that is being seen is towards competitive markets, fast changing technologies, higher productivity and an increasing awareness of consumer expectations. These challenges could be looked upon as "market driven". Organisations and more so the Human Resource Management (HRM) in them has to gear itself to meet these challenges as otherwise their very survival will be at stake. **Technology change** was never a challenge to the HRM as it is now, in the past. A skilled person in particular discipline could have been safely expected to go on till superannuation. Now, it looks like a by gone era. He has to constantly up date and learn new skills to keep going. This is a formidable challenge to the HRM in the present and future.

In a closely related to the above investigation was a study carried out by Chadha (1995) the major conclusions are that, in the face of liberalisation and economic reforms in the country, the small manufacturing sector has to modernise the production techniques to withstand competition; it has to diversify into more technology intensive areas of production. There has to be meticulous monitoring of the activities concerning the transfer of benefits of technical support programmes to small industry.

While modernisation of technology is a necessary condition for an organization's growth and country's development, its success argued by Dr. Pandey (1992) depends on the openness with which the management shares information with the union regarding its impact on existing employment, redundancy and plans for retraining and sharing the benefits of the improved technology with the employees.

Majumdar (1995) argued that the market-determined strategy of manpower mobility is to be supported by, and often preceded by, the generation of job opportunities to ensure the success of globalization for man and for industrialization of the nation state.

In another survey conducted by Choudhury (1992) to investigate that the world today is in transition. Rapid changes are sweeping across, and the very pace of change has accelerated tremendously. In whichever corner of the globe the changes occur, they have worldwide ramifications. In the economic sphere, all nations have accepted the tenets of liberalisation, competition and the free operation of market forces. the countries of the Pacific Rim are emerging as leaders in the sphere of economic growth. The global economic boom of the nineties is coupled with nascent fears of domination by one single superpower, and the rise of religious fundamentalism in many parts of the world. In our own country also, the winds of change are blowing, and a complete restructuring of the economy, with primacy of private enterprise and closer linkages with the global markets, has already begun. With the world coming closer, globalisation of lifestyles will become an important characteristic of the people. In terms of expectations, food habits, dress, leisure activities etc, the trend is towards following the world, and this will have an important, bearing in determining the motivational characteristics of the workforce. With increase in the knowledge

base of employees and increasing attention towards self development, the primacy of the individual is emerging as a distinct trend for the coming years. Individuals are increasingly demanding recognition, not as mere members of a collective, but on their own. Hence existential demands of the people will gather momentum, and has to be given due cognizance.

In slightly different study Shah (1997) found out that human resource is the most sensitive, reactive and proactive resource of the organizations. A great majority of the managers surveyed cited the issue of managing human resources as of strategic importance.

In a different study carried out by Dr. Batra (1995) it was concluded that most of the undertakings developed and are equipped with adequate facilities to train different levels of personnel. Thus, today, most of the **public sector** companies, particularly the big ones, have their own training infrastructure, and training functions are very well organized in most of the cases. But the training function in these public sector units generally suffers from the absence of top management support and takes place in an environment of interdepartmental conflicts. But in a few corporations, the training function also suffers from shortage of technically qualified manpower, who are capable of playing the role of change agents in these corporations.

In a closely related study to the above, Muraleedharan (1996) found that the Voluntary Retirement Scheme has now become a basic component of the labour adjustment strategy of both public and private sector undertakings to weed out inefficiencies and make the industry more competitive and cost effective under the new economic set-up. The basic aim of VRS is allowing less efficient employees to retire under the scheme thereby promoting efficiency and economy

in human operation. As against this, the majority of the people retired are either outstanding or very good performers.

In a developing economy like India where manpower is available in abundance to meet any conceivable increase in labour demand, Kumar (1996) argued that the real policy problem is efficient use of this untapped vast reservoir of energy. Widespread adhocism and lack of professionalism prevail in the **government undertakings** with regard to the management of human resources, consequently adversely affecting the efficiency and performance of these undertakings.

In a recent study conducted by Mohan (1999), the major finding was that liberalization and globalization policies are forcing Indian companies to re-examine their strategies in view of intense competition and product proliferation. Technology is a resource of profound importance to corporate profitability and growth. New technologies are being acquired by firms because of competitive strategies: cost, speed of delivery, quality and flexibility (or customizability). Given the complex, interactive nature of technology adoption, not only technology adoption, adaptation and substitution but total commitment of top management and all employees is critical for their successful implementation.

In a related study to the above Shekar (1999) concluded that one of the expectations from the economic reform programme initiated in 1991 was that Indian companies and industries would become domestically and internationally more competitive. Most new companies are export focused, enjoy significantly lower labour costs and are amongst the top performers in the industry. These new companies produce high; medium and low count yarns. On an average their performance is far superior to the older companies.

A seminar on the managerial challenges in attracting and retaining talent was directed by the author, Ram (1998) on behalf of the Bombay Management Association, in July 1997. The seminar was attended by about 75 professionals, most of them being Human Resource Development experts. Management professionals representing various segments of business activity, ranging from consultancy to manufacturing to the service industry, debated on the different aspects of the subject in structured sessions, and came up with interesting new insights. It emerged that designations did not succeed in attracting and retaining talent. The challenge of attracting and retaining talented manpower exists in all sectors of business activity, be it consultancy, manufacture of the service sector.

In an UN Poverty Meet titled “Globalization has not done much for world’s poor” published in Times of India on 22nd March, 2002, it is said that Globalization or the fast-paced growth the trade and cross-border investment, has done far less to raise the income of the world’s poorest people than the leader had hoped, many officials here say. The vast majority of people living in Africa, Latin America, Central Asia & West Asia are no better off today than they were in 1989, when the fall of Berlin wall allowed Capitalism world wide at rapid rate. Rather than an unstoppable force for development, globalization now seems more like an economic temptress, promising riches but often not delivering in the view of many of the leaders at the United Nations Conference in this Mexican city.

When many officials from around the world talk about economic integration, they tend to focus on why it has proved this appointing – why rich countries keep many trade barriers in place, why Wall Street is fickle when it comes to investing in emerging markets, why multinationals ignore even some poor countries follow the right policies.

A World Bank survey released on the eve of conference shows that after growing furiously through the early 1990's, annual private capital flows to the developing world fell from \$300 billion in 1997 to just over half that level last year. Stock and bond markets went into reverse after the 1997 Asian financial crisis, drawing more money out of developing countries than they put in. Corporate foreign investment decline only modestly, but is still below its 1997 peak.

That has left some fallen stars among middle-income countries like Turkey and Argentina, which are now begging for both private investment and official aid.

"The trend of globalization is that surplus capital is moving from the periphery countries to the center, which is United States," said Georg Soros, the financier and philanthropist who has become a leading critic of globalization. Soros came here to persuade leaders to back his idea of creating a \$27 billion pool that poor countries could use to finance development.

CHAPTER-V

RESEARCH METHODOLOGY

The present study was undertaken to find out Human Issues under Modernization Strategies in Indian business environment. More specifically, the present research was designed with the following objectives.

- (i) To study and measure human issues in the business organizations that have modernized themselves.
- (ii) To propose HR Systems, strategies and policies for managing the human issues in such organizations.

For the purpose of finding out Human Issues in Indian business environment particularly of those organizations which have gone through a process of modernization with respect to HRD practices, the researcher had to devise an appropriate tool for the assessment of these issues. First of all, the investigator made an extensive survey of literature on HRD practices and HRD Issues and conducted depth interviews with the personnel managers of various organizations and the academicians working in HR field. The investigator has also sent letters to those company authorities, personnel managers and supervisors with whom the personal interviews could not be arranged due to certain obvious difficulties, requesting them to write a list of possible Human Issues. In this manner the researcher collected a large number of Items related to human issues of HRD area. These Items were examined carefully and on the basis of the opinion of few judges, those Human Issues which sowed maximum agreements were retained while those which showed little or no agreement were excluded. In this manner the most relevant items were selected for the purpose of data collection. These selected items i.e. sub-factors were then classified in the seven broad factors namely:

- (i) Issues related to the Human Resources Policy

- (ii) Issues related to the Revision and Measurement of Job Description
- (iii) Issues related to the Human Resource Methods and Systems
- (iv) Issues related to the Retrenchment and Redeployment of Workers
- (v) Issues related to the Selection, Training, Development and Retention of Employees
- (vi) Issues related to Employees' Morale and Organizational Climate Setting
- (vii) Issues related to Industrial Relations.

Having tentatively identified seven major factors, the investigators developed seven different scales- one for each of the seven major factors as well as the single scale for all the seven major factors consisting of twenty items.

Validity of the Scales:-

The most important question to be asked about any psychological test concerns its validity, i.e., the degree to which the test actually measures what it purports to measure. The validity of a test can not be reported in general terms; no test can be said to have "high" or "low" validity in the abstract. Its validity must be determined with reference to the particular use for which the test is being considered. The validity provides a direct check on what the test measures and how well the test fulfills its functions. The determination of validity of a test usually requires independent external criteria of whatever the test is designed to measure. Thus the most important consideration in estimating the validity of tests is the selection of appropriate criteria.

Although there are many procedures for establishing the test validity, all the concerned with the relationship between performance on the test and other independently observable facts about the behaviour characteristics under consideration. These procedures may conveniently be classified into three broad categories; content, criteria related, and construct validity.

The selection of the appropriate procedure to determine the validity of a psychological test generally poses a serious problem to investigators.

The present researcher also had to face certain difficulties in choosing method for estimating the validity of the scales to be employed for data collection in the present investigation. The various procedures available for determining the validity of the test were thoroughly examined and it was decided to use content validation.

Fundamentally, content validity involves the systematic examination of the test contents to determine whether they cover a representative sample of the behavior domain to be measured. Content validation procedure is commonly used in evaluating achievement tests, and is reported inappropriate for aptitude and personality test. Since considerations of relevance and effectiveness of contents must obviously enter into the initial stages of constructing any test, eventually validation of aptitude or personality test requires empirical verification. The relevance and effectiveness of the present test was to be determined by method of content validity, and to establish the validity empirically the internal consistency method was to be followed. The investigator was confident that by following these procedures, he would be in a position to obtain a valid instrument for the purpose of her research.

Each of the seven scales, namely "Issues related to the Human Resource Policy Scale", "Issues related the Revision and Measurement of Job Description Scale", "Issues related to the Human Resource Methods and Systems", "Issues related to the Retrenchment and Redeployment of Workers", "Issues related to the Selection, Training, Development and Retention of Employees", "Issues related to the Employees' Moral and Organizational Climate Setting", and "Issues related to the Industrial Relations" was examined individually by three groups, one

consisting of twelve subject experts in the field of business education, another of ten teachers teaching social work subjects at the University level, and a third group of twenty social work students of master and research degrees. The experts were requested to evaluate each item of the scales and to assess their suitability for the purpose.

The analysis of the responses of the three aforementioned groups revealed that there was no disagreement, rather all of them agreed that the items measured what they purported to measure. In the light of this evidence, the investigator inferred that the seven scales were valid.

The content validity of each scale was also obtained by using this technique which showed that each item was measuring what the total test measured and, therefore, it was inferred that the “Issues related to the Human Resource Policy Scale ” (4 items), “Issues related the Revision and Measurement of Job Description Scale” (2 items), “Issues related to the Human Resource Methods and Systems” (2 items), “Issues related to the Retrenchment and Redeployment of Workers” (2 items), “Issues related to the Selection, Training, Development and Retention of Employees” (3 items), “Issues related to the Employees’ Moral and Organizational Climate Setting” (3 items), and “Issues related to the Industrial Relations” (4 items) were valid instruments.

Instrument: The data of the present study were collected by using a questionnaire, a rating scale and personal details.

The questionnaire was the main tool used for data collection in this study. It was used to identify and assess the intensity of each of the known factors. This questionnaire consisted of seven scales, each based on specified factors with five

alternative responses. Each scale was described by 2-4 items and the seven scales represented the following factors:

- (i) Issues related to the Human Resource Policy;
- (ii) Issues related the Revision and Measurement of Job Description;
- (iii) Issues related to the Human Resource Methods and Systems;
- (iv) Issues related to the Retrenchment and Redeployment of Workers;
- (v) Issues related to the Selection, Training, Development and Retention of Employees;
- (vi) Issues related to the Employees' Moral and Organizational Climate Setting; and
- (vii) Issues related to the Industrial Relations.

The rating scale was prepared to obtain information about the strength of the above seven factors identified by the investigator as possible determinants. The respondents were required to rank the importance of these factors by indicating either 7,6,5,4,3,2, or 1 against each major factor; 7 is for the most important factor, 6 for the next most important factor and so on in order of decreasing importance.

Beside the questionnaire and the rating scale the investigator also prepared a personal data sheet which was intended to secure factual information from the subjects regarding some variables like age, sex, designation, type of organization(rural/urban), etc which were considered to have influenced the respondents in their decision to choose organization & could be used if found necessary.

Data Source: In the present research the data were collected both from primary and secondary sources to identity the human issues pertaining to the HRD practices in the organizations operating in India. Under the secondary sources for the study, annual reports, general reports, personnel manuals, official records,

performance overview reports, human resources overview reports, annual reports of human resource development, etc. have been used. The primary data were collected through a specifically designed questionnaire and interview technique. Initially a large pool of statements was collected to prepare the questionnaire. These statements were collected after scanning the literature and on the basis of the opinion of academicians of HRD area and practicing HRD managers. Though, 105 middle/senior managers, 82 junior managers and 53 line managers of different departments/divisions were consulted to record their opinion on various aspects. A brain storming session was conducted to collect the initial pool of statements. Then after, each statement was critically evaluated by few experts to finalize the statements. On the basis of consensus among the experts, the questionnaire was finally prepared which contains 20 items belonging to seven categories of issues related to (a) Human Resource Policy (b) Revision and Measurement of Job Description (c) Human Resources Methods and Systems (d) Retrenchment and Redeployment of Workers (e) Selection, Training, Development and Retention of Employees (F) Employees' Morale and Organizational Climate Setting (g) Industrial Relations.

The questionnaire so prepared was administered on the senior HR manager of the organizations selected in the sample of the present study. A 10 point scale was given opposite to the statement. Respondents were required to rate each statement in accordance to their order of importance on the given scale. To create the interest of the respondents and to obtain true and real information, following instructions were printed on the top of the questionnaire. This questionnaire is aimed at measuring human issues under modernization strategies in Indian business environment. Although, it is basically an academic exercise however, if you wish we would keep your name and your organization's name secret. If you are further interested we shall be glad to send you the final results of this research as well.

Secondary data were collected from the literature available that included text, research Journals, business magazines and other published material. The main source of secondary data was case studies of the organizations, which have gone through the process of modernization with respect to the HRD practices.

Design of the Study: The design of the present research is descriptive – cross-sectional in nature. Since the problem of the research is concerned with the business environment of India, which is a large country, care was taken regarding flexibility and appropriateness. The design of research is said to be a good design if it is flexible and appropriate. Here flexibility refers to the provisions of changing the sample unit. Keeping in view the main aim of the present research, only propulsive sampling method was opted for data collection. If it was felt that any sample unit will not serve our purpose, it was likely to be changed without hesitation. The appropriateness was ensured by the strict controlling measures during the process of data collections and adequacy of the information. As per the requirement of a descriptive research, the investigator, first of all, had defined clearly what he wants to measure and to develop an adequate method of measuring it along with a clear cut definition of population. For this purpose, an exploratory research was conducted prior to prepare final research plan. The purpose of the researcher was to assess human issues under modernization strategies in Indian business environment. To study the human issues, a well-designed questionnaire developed through aforesaid method was used. The population under study was all those organizations which have adopted modern HRD practices and they are located in any part of India. Since the main constituents of the population/sample were public and private sector organizations and data were collected from the both types of organizations, the purpose of the study becomes descriptive-cross-sectional in nature. To fulfil all the requirements of descriptive research, certain conclusions were drawn from the exploratory research. On the basis of these conclusions following decisions were taken.

- (i) Chances of the subjective biasness during data collection should be minimized.
- (ii) High reliability of the data must be ensured,
- (iii) The information should be collected in such a way that it must cover up all the aspects of the present concern,
- (iv) A rapport should be established between the investigator and the respondent,
- (v) The respondent must be encouraged to express his view freely,
- (vi) Adequate time must be given to the respondent to reply the question, &
- (vii) Necessary information like age, sex etc. regarding the respondents may be collected prior to the data - collection.

(a) Statement of the Problem:

It is therefore suggested that human concern must take supreme position in the minds of business entrepreneurs including the government and as a matter of policy, everyone must accept that any plan of modernization/technology updating must be preceded by manpower planning including training and retraining of the existing workforce for better utilization in the updated technology. For such of those who will be physically incapacitated due to old age or sickness, there must be handsome compensation plan to look after their social security.

Without this, the Industrial unrest which is contrary to the total quality movement and higher productivity will have serious concern and the parties will continue to blame each other without any consequences.

It appears that human resource managers all over the world are confronted with the problems of human issues. However, the intensity varies from one organization to another, from one region to another in the same country & also from one country to another. The human issues involved are more or less the

same but different weightage is given to them in developed & developing countries. The importance of different human issues depends to some extent upon the social structure of the country as well.

This study represents an attempt to answer these questions:

(b) Objectives of the study:

The present study was undertaken to find out Human Issues under Modernization Strategies in Indian business environment, more specifically with the following main objectives:

1. To study and measure human issues in the business organizations that have modernized themselves.
2. To propose HR Systems, strategies and policies for managing the human issues in such organizations.

The present research was also designed to have the following applications which are part of the main objectives:

- i) Main beneficiaries are industries which can take into consideration its findings and recommendations.
- j) Another group of beneficiaries are academicians who can use its references.
- k) HR-managers and trainees can take these issues for designing and formulating human resource systems and strategies.
- l) The managers have to be cautious of these issues before undertaking any modernization process so that human issues can be dealt within proactive manner.
- m) Future researches can be conducted on much more larger scale.

(c) Hypotheses:

The following null hypotheses were formulated:

1. Human issues related to the human resource policy have no bearing on any plan of modernization /technology updating.
2. Human issues related to the revision & measurement of job description have no bearing on any plan of modernization /technology updating.
3. Human issues related to the human resource methods & systems have no bearing on any plan of modernization /technology updating.
4. Human issues related to the retrenchment & redeployment of workers have no bearing on any plan of modernization /technology updating.
5. Human issues related to the selection, training, development & retention of employees have no bearing on any plan of modernization /technology updating.
6. Human issues related to employees' morale & organizational climate setting have no bearing on any plan of modernization /technology updating.
7. Human issues related to Industrial relations have no bearing on any plan of modernization /technology updating.
8. There is no significant relationship between organizational needs & the employees' needs.
9. There is no significant relationship between the retrenchment of low skilled & surplus workers & increasing modernization.
10. There is no significant relationship between multi-skilled workers & global exposure.
11. There is no significant relationship between industrial relations harmony & modernization.

Sample Design:

Sample Extent: Keeping in view the broader objective of the present research, no regional restriction was imposed at the time of the selection of sample units. Since the aim of the research was to study the human issues pertaining to the HRD practices in the business environment of a country like India which is popular for the diversified regional culture. The value system, customs and traditions, living habits etc. are quite different in the various regions of India. These social variables are strong enough to influence the human issues. That is why efforts were made to draw a sample representing various regional social aspects of India. So any organization located at any place within the national boundaries of India could be selected to formulate a sample as true representative of the population.

Sample Size: In all, 10 organizations were chosen. These organizations were selected from the large-scale industries sector (Public/Private) located in various regions of the country. A multinational cooperating in India could also be selected as the sample unit. The condition for the selection of the sample unit was that it must have gone through the process of modernization with respect to the HRD practices. The information regarding human issues under modernization strategy was collected strictly from the 66 senior managers (HRD) of the organizations. The senior managers appear to be very close to the working system of the organisation and hence awareness of human issues involved in day-to-day administration of each firm. Further, all the senior managers as management representatives have not been considered due to similarities in experiences and resource constraints. Hence, only one senior manager (personnel) in each organisation has been taken up for the purpose of the study, as in general most of them were not cooperative either due to fear of leakage of information or otherwise.

Keeping the aim and the purpose of the present investigation in view, data were to be obtained from only senior managers (personnel) working in the organisations during 2001-2002 session. Initially, the researcher was to compare BHEL and BATA INDIA Ltd., but due to non-cooperation of employees of the two organisations the sample was becoming too limited to be used. As a result, the researcher in consultation with her supervisor decided to collect data from at least ten following business organisations of the public and private sector enterprises through their senior managers (personnel) which constituted the sample of the present study. The aim of the investigator was to take as many organisations as possible but due to lack of time and expenditure involved, the limitations of the problem, and lack of interest on the part of management of each organisation, the number was cut down to only ten business organisations selected for the present study, where such facilities for carrying out this investigation were assured. However, only the limited number of subjects (senior managers) of the following organisations were ready:

1.0. Bharat Heavy Electricals Ltd. (BHEL)

In the second five- year plan (1956-61) Government of India gave emphasis on Industrial growth development on the lines of socialistic pattern of society. As a result of this, number of public sector enterprises have come into existence. One among them is Bharat Heavy Electricals Limited (BHEL).

BHEL is the largest engineering and manufacturing enterprise in India producing a gamut of equipment for Thermal, Hydro and Nuclear Power Plants. At present more than 90% of the annual addition to installed capacity in power sector comes from BHEL. It has 13 manufacturing units, 8 service centers and a number of project sites in different parts of the country. Recently BHEL ranked among the top 12 manufacturers of power equipment in the world under "FORTUNE 500".

IN THE YEAR 1965 a Heavy Power Equipment Plant (HPEP) at Ramachandrapuram, near Hyderabad in Andhra Pradesh was set up in collaboration with SKODA of Czechoslovakia to manufacture Turbo Sets for Thermal projects. Since then BHEL, Hyderabad has moved further to absorb higher levels of technology to meet the changing and increasingly sophisticated needs of India's Industrial sector. Out of the various products produced Industrial Turbines both Gas and Steam Turbines constitute major parts in unit's turnover.

BHEL HAS secured the first ever-turnkey substation contract in Uttaranchal, aimed at improving the power supply in Roorkee and adjoining areas. The order worth Rs. 14 crore, has been placed by Uttaranchal Power Corporation Ltd., for setting up a new 220 KV grid substation and extension of an existing 132 KV substation at Ramnagar in Roorkee.

With the successful commissioning of the first 30 kW, state-of-the-art grid interactive solar photovoltaic (PV) power plant at its electronic systems division, Bangalore, Bharat Heavy Electricals Limited (BHEL) has now geared up for the commercial manufacture of such systems upto 100 kw ratings. In fact, BHEL has already bagged the first commercial order for a 25 kw grid interactive solar PV power plant from agency for non-conventional energy and rural technology (ANERT), Thiruvananthapuram, Kerala.

Designed, developed and commissioned by BHEL, the grid interactive solar power generation system is one of the few such plants in the country and is a step forward in harnessing solar power. A unique feature of the plant is that it feeds power to the grid when local loads are not being catered to.

BHARAT HEAVY Electricals Limited (BHEL) has successfully developed a device – called “controlled shunt reactor (CSR)”, the first of its kind in the world,

for improving power transfer capability and reducing transmission losses in the country's highest rating (400 KV) transmission lines.

The device, is a major breakthrough for the country's power transmission sector, and has been successfully commissioned at Power Grid's 400 KV Itarsi substation in Madhya Pradesh. BHEL giant has spent as much as Rs. 80 crore on research and development for the year 2001-02 making it the highest spender in this category among indigenous industries.

TWO NEW directors have joined the board of Bharat Petroleum Corporation Limited. M. Rohatgi has been appointed Director (Refineries) of the oil major. He has had wide experience in refinery operations, engineering and projects. S Radhakrishnan has been appointed as Director (marketing). He too has had an experience of 25 years about all aspects of oil marketing and distribution.

BHEL's Human Resource Development Institute (HRDI) has skills in the areas of Management training Research, Consultancy, Organisational Development and Manpower Planning. Over the years, the institute has acquired proficiency in imparting training to professionals in the field of Strategic management, Contract management, Marketing management, Project management, Human Resource management, Activity based costing, Performance management, Emotional Intelligence, Values Laboratory, Human-process Laboratory, Leadership Development, Team Building, Trainer Development, and other functional and behavioral areas of management.

The institute has acquired core competency in consultancy services specifically in the field of Contract management, Performance management, Human Resource management and Organization Development, and being an experimentation ground for innovations in Human Resource management have set a number of

benchmarks. Further, in order to enable the Human Resource Development strategies and interventions to extend more support to enhance the self-renewal capability of individuals and to optimize the use of emerging information techniques in management, initiatives have been taken to constitute three areas of excellence viz. (a) Business development (b) Organization development and (c) Enabling technology development.

BHEL's Human Resource Development Institute, with its standing of a respectable center of learning, seeks to extend above activities with other Management Institutes and in-house Human Resource Development institutes of national and international reputation with a prime objective of mutually sharing the resources and expertise for competency building in various areas by jointly conducting training programs, seminars, workshops, conferences, consultancy, action research, case-study development and academic activities to achieve greater heights.

The main focus of such collaborative ventures would be to bridge the gaps and overcome the barriers, which are likely to emerge in the turbulent future.

BHEL's Human Resource Development Institute is extending its invitation and intends to collaborate with leading Management Institutes and in-house Human Resource Development Institutes in India and abroad to identify and work together on new frontiers of Human Resource Development.

2.0. Bata India Ltd. (BIL)

Bata India Limited is India's largest manufacturer and marketer of footwear products. The Bata brand is well known for quality footwear in every household

in the country. Bata India sells over **60 million** pairs per year throughout India and in overseas markets such as **USA, UK, Middle East and Far East**.

Registered Office: 6A, S N Banerjee Road, Post Box No. 8913, Kolkata-700 013, India.

Bata India is part of the global **Bata Shoe Organisation** based in Toronto, Canada.

Bata India Ltd (BIL) is a 51% subsidiary of Bata (BN) BV of Netherlands. BIL is India's largest manufacturer and marketer of footwear products. Besides leather, rubber and canvas footwear, BIL also markets sports shoes, accessories and garments. BIL sells about 59 million pairs per year throughout India and in overseas markets such as USA, UK, Europe, Middle East and Far East. BIL's strong points are the strong parent support it enjoys, a strong brand name supported by value for money positioning and its large retail reach with 1,600 exclusive retail stores and a presence in another 30,000 shops.

BIL's business history in India has been marred by innumerable labor problems. Despite having one of the highest employee cost (25% of sales), there continue to be innumerable conflicts between the labor unions and the management at its various locations. The company's Faridabad factory was under lock out from Feb to Nov '99. In the year 2000, its Peenya factory has been under lock out from Mar '2000 to Jul '2000. The company had signed a 3-year wage agreement with the labor union at Batanagar its largest manufacturing unit.

A key feature of the domestic footwear industry is the large presence of the unorganized sector in the former. The unorganized sector accounts for two-thirds of the industry's total volumes. The industry size is estimated at 650mn pairs

valued at Rs75bn. The industry growth has slowed down from 20% growth rate in the 90's to 8-10% in the last 2-3 years. As the quantitative restriction on the import of footwear has been lifted, the market being flooded by imports. BIL is making fresh investment to upgrade the manufacturing processes of footwear to face competition from imported brands. Also the company has commenced imports of footwear with effect from F12/2000. It imported footwear worth Rs52mn during the year, and this is likely to increase in the coming years. BIL's operating profit for F12/2000 has declined by 29.55% to Rs482.6mn as against Rs685mn in the previous year. OPM reduced to 6.7% in FY12/2000 as compared to 9.4% last year. The company has attributed lower growth to poor market conditions and restricted supplies to wholesale dealers. Return on capital employed (pre tax) has also eroded from 15.1% in FY12/99 to 8.5% in FY12/2000.

Management restructuring : Bata has put a new management team in place in January 2001. Mr. Chandu Morzaria, has been appointed as Managing Director in place of retiring MD Mr. W K Weston. Bata is set to exploit the opportunity offered by the clubbing together of its operations in India, Pakistan, Bangladesh and Sri Lanka under a single managing team. BIL has also brought in Mr. Harnan Ordonez from Toronto to look after the wholesale business, Mr. Tony Van Es to ensure product quality, Mr. W Riber from Pakistan for product development and Mr. Dean Turner, CFO-Asian region to look after the entire finance function, with an attempt to improve operations and profitability in all areas.

3.0. National Thermal Power Corporation Limited (NTPC)

National Thermal Power Corporation Limited (NTPC) is the largest thermal power generating company of India. A public sector company wholly owned by Government of India, it was incorporated in the year 1975 to accelerate power development in the country. Within a span of 27 years, NTPC has emerged as a

truly national power company, with power generating facilities in all the major regions of the country (see locations of NTPC stations). Based on 1998 data, carried out by Datamonitor UK, NTPC is the 6th largest in terms of thermal power generation and the second most efficient in terms of capacity utilisation amongst the thermal utilities in the world.

NTPC's core business is engineering, construction and operation of power generating plants and also provides consultancy to power utilities in India and abroad. As on date the installed capacity of NTPC is 21,249 MW through its 13 coal based (16,980 MW), 7 gas based (3,955 MW) and 3 Joint Venture Projects (314 MW). NTPC acquired 50% equity of the SAIL Power Supply Corporation Ltd. (SPSCL). This JV company operates the captive power plants of Durgapur (120 MW), Rourkela (120 MW) and Bhilai (74 MW). NTPC is also managing Badarpur thermal power station (705 MW) of Government of India.

NTPC's share on 31st March'2002 in the total installed capacity of the country was 19% and it contributed 25.83% of the total power generation of the country during 2001-02.

NTPC has set new benchmarks for the power industry both in the area of power plant construction and operations. It is providing power at the cheapest average tariff in the country. With its experience and expertise in the power sector, NTPC is extending consultancy services to various organisations in the power business. NTPC has entered into a joint venture with Alstom, Germany for renovation and modernisation of power plants in India.

NTPC which wants to project its image as a competitive and reliable player in the energy sector, proposes to fine-tune debt management and cost-management strategies.

NTPC stands second in terms of return on capital employed, at 13.5 per cent, despite operating in a suppliers market. However, it admits that there is a vast scope for cost management as its tariff assures a return of 16 per cent for plants post 1992 and its figure of 13.97 per cent for return on equity, stands at seventh.

In addition to this, NTPC proposes to bid for long-term operation and management contracts, both globally and nationally, and set up barge mounted plants as a good alternative, given the risk exposure associated with large infrastructure projects and the lack of exit routes.

To overcome the problem of rising inventories which stand at Rs. 1,873.33 crore, NTPC envisages a large scale use of business to business exchange. It plans to explore the possibilities of harnessing the potentially growing area of application service provider for quick and effective office automation.

The first bud sown by NTPC burst full bloom. the Singrauli project achieved the full capacity of 2000 MW. The Korba project added first 500 MW Unit. Keeping in line with all the developmental activities, the first 210 MW unit of Vindhyachal project, which now has a capacity of 2260 MW, also came onstream. The first unit of 500 MW at Rihand was also commissioned by year 1988.

To serve the power sector in India and abroad - the Consultancy Wing was launched acting as a window for the globalisation of NTPC operations. A capacity addition of 3,234 MW was made at Korba, Ramagundam, Vindhyachal, Rihand, Auraiya and Anta together NTPC is committed to the environment, , generating power at minimal environmental cost and preserving the ecology in the vicinity of the plants. NTPC has undertaken massive afforestation in the vicinity of its plants. Plantations have increased forest area and reduced barren land. The massive

afforestation by NTPC in and around its Ramagundam Power station (2100 MW) have contributed reducing the temperature in the areas by about 3°C. NTPC has also taken proactive steps for ash utilisation.. In 1991, it set up Ash Utilisation Division to manage efficient use of the ash produced at its coal stations. This quality of ash produced is ideal for use in cement, concrete, cellular concrete, building material.

A "Centre for Power Efficiency and Environment Protection (CENPEEP)" has been established in NTPC with the assistance of United States Agency for International Development. (USAID). Cenpeep is an efficiency oriented, eco-friendly and eco-nurturing initiative - a symbol of NTPC's concern towards environmental protection and continued commitment to sustainable power development in India.

As a responsible corporate citizen, NTPC is making constant efforts to improve the socio-economic status of the people affected by the its projects. Through it's Rehabilitation and Resettlement programmes, the company endeavors to improve the overall socio-economic status of Project Affected Persons.

NTPC was among the first Public Sector Enterprises to enter into a Memorandum of Understanding (MOU) with the Government in 1987-88. NTPC has been Placed under the 'Excellent category' (the best category) every year since the MOU system became operative.

Recognising its excellent performance and vast potential, Government of the India has identified NTPC as one of the jewels of Public Sector 'Navratnas'- a potential global giant. Inspired by its glorious past and vibrant present, NTPC is well on its way to realise it's vision of being "one of the world's largest and best power utilities, powering India's growth".

Moots organisation restructuring and more autonomy review of manpower make forays into mergers and acquisitions, power trading and hydel sector to float a finance company to scout for funds on a perpetual basis increase installed capacity at 50,000 MW project as a leading competitive and reliable player.

4.0 Johnson & Johnson

Johnson & Johnson is the world's most comprehensive and broadly based manufacturer of health care products, as well as a provider of related services, for the consumer, pharmaceutical and medical devices and diagnostics markets. Johnson & Johnson has 198 operating companies in 54 countries around the world employing 108,300 employees and selling products in more than 175 countries. The fundamental objective of Johnson & Johnson is to provide scientifically sound, high quality products and services to help heal, cure disease and improve the quality of life. This is a goal that began with the Company's founding in 1886. In 1943 Robert Wood Johnson wrote our Credo, a one-page document that outlines its responsibilities to its customers, employees, the community and shareholders. The Credo is available in 36 languages on this Web site. Johnson & Johnson's adherence to the ethical principles embodied in the Credo have resulted in numerous awards and accolades, which recognize the company as an employer and a good corporate citizen. Read about them and the history of the Credo in this section.

Johnson & Johnson is known for caring and trust. The Advertising campaign shown in this section demonstrates the Company's interest in the parent-child relationship and the importance of "Talking to Your Kids."

Johnson & Johnson companies are located all around the world. Visit Family of Companies section for a description of many of our operating units and their locations. A convenient list of Company Web sites is also available. To

understand the organizational structure and the culture and to find out what it is like to work for Johnson & Johnson, please explore our Careers section may be explained.

5.0. IIS Infotech Ltd.

IIS Infotech is amongst the leading software companies in India offering project services, product development and software consultancy on a variety of computer systems to a largely International Clientele. It was the first software company to receive the ISO 9001/TickIT certification in 1992. Its International operations cover the USA, UK, Continental Europe, Mexico, South Africa, Israel, Saudi Arabia and Singapore. It also offers comprehensive solutions and services for the century date problem-IIS 2000. IIS has multilocal office and development centers at Delhi, Mumbai, Bangalore and Chennai. In addition, it is present at over 135 locations through a franchise network. Its collaborators/partners in education include IIT Delhi and the Ecole National de Ponts et Chausées (ENPC). Its domestic solutions business provides Indian customers with consulting, customisation and support.

THE Delhi-based IIS Infotech Ltd is known as Xansa India, following a change of name by its parent group, the UK-based FI Group Plc, to Xansa Plc.

Along with the new name, the company is also making fresh investments worth Rs 160 crore over a 3-4 year period in setting up three new software development facilities in Chennai, Pune and Noida.

The number of employees at Xansa India will also go up to over 5,000 by 2004 from 1,200 presently.

Mr Saurabh Srivastava will be the Executive Chairman of Xansa India and Group Director of Xansa Plc. The company has also announced the appointment of Mr Sharad Srivastava as the new Managing Director of Xansa India.

The re-branding programme involves every aspect of the FI Group and all the nine companies under its fold will now have a common identity, a company statement said.

Over the past few years this has extended the range of services through significant acquisitions and strong organic growth. They have inherited a multitude of company names and brands and no existing name emerged with the right attributes and strength to carry the company forward internationally," said Mr Hilary Cropper CBE, Executive Chairman. Hence, re-branding was a critical commercial step, he added.

The name Xansa has been partly inspired by the Zanskar valley up in the Himalayan Mountain range, invoking the heights that the company wishes to scale.

The other inspiration has been the Sanskrit word, sanskar, which among its many meanings, also refers to culture and values.

Mr Srivastava said that the new software development facilities in Chennai and Pune would be spread over 10 acres. "These two campuses as well as the off-shore development facility at Noida will be ready in the next 3-4 years."

Established in 1989, IIS Infotech became part of the FI Group in 1998. With operations in 15 countries, it offers software solutions including software project

consulting, development services, Web-enabling services and business intelligence services.

On the new focus of Xansa, Mr Srivastava said that it would now also focus on new areas including high-end IT consulting, enterprise solutions and system integration.

6.0. Mohan Meakins Ltd. (MML)

MOHAN Meakins Ltd (MML), an alcohol beverage company with a turnover exceeding Rs 700 crore, has announced its strategic alliance with Millennium Breweries & Allied Products Ltd (MBAP).

MBAP has been promoted by Mr Ravi Jain, a professional manager-turned entrepreneur, together with Mr Suraj Gupta, a Delhi-based industrialist.

The strategic alliance has been entered into to exclusively market, sell and distribute MML's entire range of brands. This includes brands such as Old Monk rum, Black Knight whisky, Solan No.1 Malt Whisky, Colonel Special whisky, Big Ben London Dry Gin and Golden Eagle beer.

This is the second alliance structured by Mr Ravi Jain in less than a year. Earlier, Mr Jain had signed a joint venture with the UB group -- Millennium Alcobev Ltd -- to consolidate and strengthen UB's leadership position in the beer business.

Mr Jain said, "The challenge is to re-position MML's brands as contemporary and relevant while retaining the quality and taste. To unleash the abundant potential inherent in many of these brands, innovative advertising and other promotional campaigns are being planned."

7.0 Hindustan Levers Ltd.

Situated in the South City Complex (Office complex, Gurgaon). The site is part of a large Commercial Complex for Unitech Ltd. The eight Storeyed Building with basement and stilted ground has a built up area of 44,000 Cost of the project is estimated at Rs. 12 crores.

This is a Joint venture office complex project with M/s. Unitech of New Delhi and Singapore Consortium located on the outskirts of Delhi on Delhi-Jaipur Highway, The complex has 2 basements with 2,50,000 sq.ft and 15 upper floors with an area of 3,50,000 sq.ft. The complex is centrally air-conditioned with 100% back up power, high-speed lifts and comprehensive Building Management System facilities. The BMS facilities include energy management in lighting, power and air-conditioning, fire fighting control, security and billing system, car parking management facilities etc. The cost of the project is estimated at Rs. 90 crores. Nearing Completion.

8.0 BOC (India)

Boc (India) a part of the BOC Group, Pic UK operates in the industrial gases segment and is largest manufacture of air separation gases in the country. The slowdown in demand from certain key user segments and stiff price competition adversely affected the performance of the company. The company has undertaken a restructuring exercise focusing on reduction in manpower, improving utilization of assets and cleaning up the books of accounts. The company has implemented an Enterprise Resource Planning package integrating its different business functions for improving its working.

There is a positive correlation between GDP growth and the growth of the industrial gases market. In developed countries, industrial gases have generally grown at twice the growth rate of GDP. In India, as agriculture contributes a

significant proportion to the GDP, the consumption of industrial gases is generally been one and half times the GDP growth rates.

The slowdown in the world economy coupled with sluggish demand from the capital goods and core sector industries like steel and aluminium adversely affected demand for industrial gases. However in recent times, there has been improvement in the demand for industrial gases on account of recovery in the industrial sector in major countries of the world. However measures taken by governments (like the US government's plan to ban steel imports) will adversely affect the global demand-supply position. Thus the performance of players in this sector is linked to the free trade and growth in key user segments like steel.

The domestic market for industrial gases was adversely affected due to sluggish demand from the key user segments like steel, ship breaking and metal working segments. The recovery in various industries along with policy measures undertaken to boost infrastructure sector has improved the prospects of players in this sector. Also, development of applications for new user segments like hydrogen and special gases are likely to stabilize revenues and improve the margins of players in this industry. Currently, the domestic industrial gases market is growing at the rate of 8%-9% per annum. The medical and merchant segment is expected to grow rapidly with the entry of private medical insurance players.

BOC (India) is a well established player in the industrial gases segment and provides a wide range of industrial gases that meets specifications of various user industries. The company is known as a leading player in the industry for provider of pipelines, installations for storing liquid medical gasses and other technical support services. The company has also successfully pioneered the technology for new user segments like food preservation and refinery to maintain its edge over

domestic players. Thus the company is strongly placed to maintain its leadership position in the industrial gases segment in the country.

The management has over a period of time taken a compressive review of the operations of the company consisting of various process and control systems to reengineer the organization into a leaner and fitter company. The strong support of technical collaborators and the positive steps like continuously monitoring the performance of various capital assets and disposing off unviable units generate confidence in the management quality. The appointment of various board committees like administration and audit committee and implementation of the Enterprise Resource Planning system indicate the professional nature of the management.

9.0 Essar Steel Ltd.

Essar Steel Ltd. has launched India's premiere web-enabled supply chain that becomes the preferred fulfillment engine for e-commerce products & services both from indigenous and foreign origin.

Our esteemed customers shall be benefited by getting their quality steel products from nationwide distribution centers.

The Essar Group with an asset base of Rs.17,000 crore (US \$3.6 billion) has its presence in core sector businesses. Chairman Mr. Shashi Ruia and Vice-Chairman Mr. Ravi Ruia head the Group, founded over three decades ago. Essar's businesses are at the heart of the Indian economy - Steel production, Exploration and Drilling of Oil, Power generation, Constructions, Shipping and lately the sunrise sector of telecom services, to continue the Group's rapid growth.

Essar's mission is to achieve growth through strategic developments in basic and infrastructure industries where liberalization in India is creating major opportunities for private investment.

The salient features of their Nationwide Distribution Network are:

To make available quality steel products and services both from domestic suppliers including Essar and imported sources through our Distribution Centers. This would guarantee quality steel products to large no. of small consumers at their doorstep.

The entire transaction from procurement order booking to execution and after sales service shall be through the well developed web technology and internet application. This would enabled small consumers hassle free supply, instant accounting, considerable reduction in procurement time and reduction in inventory carrying cost.

Their distribution centers shall also serve as cyber café and the dedicated professional manning the center shall be guide to facilitate purchase decision. Last but not the least the consumers shall save themselves from the vagaries of market speculation by being referred to most competitive maximum retail price (MRP) based on our market intelligence and choice of quality products.

10.0 Mahindra & Mahindra Ltd (M&M)

Mahindra & Mahindra Ltd (M&M) is a leading player in the Indian utility vehicles and tractors segment with market shares of 45% in Jeeps / MUVs , 33.9% in Tractors , 9.46% in LCV , 3.2% in cars and a negligible share in 3-wheelers in FY2001 . However the company has been consistently improving its market share in the MUV segment which accounts to nearly 50% of the market share. It has been the leader in tractor market since 1983 and has retained it

position for last 18 years. The Farm Equipment Sector (FES) of the company is focussed on design , development , manufacture and marketing of tractors , servicing the Indian markets as well as selected international markets viz ; USA and SAARC countries under the " Mahindra " brand name. In the utility vehicle segment, the company owns the well-known 'Armada' brand and has recently introduced the Bolero GLX and MaXX utility vehicles. It is quite a strong player in the rural and semi-urban markets with maximum spread in the North , East , West regions and marginal presence in the East . The company through its subsidiary Mahindra Eco Mobiles has also made an initial foray in the three-wheeler segment with an electric-battery operated vehicle called 'Bijlee'. The M&M brand denotes Ruggedness, Durability, Reliability, Easy Maintainability and Operational Economy and has come to be identified as the company providing the ' mass transportation ' products. The customer profile primarily includes individuals, traders, entrepreneurs, contractors, tour operators, taxi owners, car hire companies, government departments and institutions Army etc.

The Indian tractor market is dominated by low price, rugged, versatile and low to medium powered tractors; the main reason being the inability of farmers to invest in farm mechanisation. Tractors are categorized on the basis of horse power (HP) of the engine. In India, the popular range of tractors is 20-40 HP compared to 60 HP in Europe and 90 HP in the USA. Though large tractors were economically unviable in India , there has been an increasing demand for high-powered tractors due to soil conditions , particularly in states of MP, Gujarat and Maharashtra. But more recently, higher-powered tractors are also being sold in states like Punjab where it is considered as a status symbol. Tractors available in India are 1/4th of the prices of similar powered tractors internationally or in developed countries . Availability of credit is the most crucial factor impacting tractor demand , as in India 90% of the tractors are financed by bank credit at concessional rates. Increased use of irrigation facilities, shift towards multi-cropping, consolidation

of lands holdings, promotion of co-operatives and higher investment in agriculture also contribute to higher tractor demand. The tractor segment comprises players like Eicher , Escorts , HMT , Punjab Tractors, M&M , TAFE , Sonalika which control about 98% market share . A few international players like Case New Holland, John Deere and Steyr have also set up facilities in India. But these players have entered the higher-powered category and, thus, pose little threat to the existing players who enjoy advantages of established distribution/service network and strong brand equity.

The multi-utility vehicle (MUV) as the name suggests can be used for transporting goods as well as passengers over medium and small distances. Such vehicles provide low fixed and operating costs in comparison to LCVs. Apart from these it can be converted into an ambulance, a minivan, a pickup van or leisure vehicle. The high ground clearance and high power delivery make it suitable for driving over rough terrain places, hilly regions, deserts etc. The MUVs are further classified into soft tops (or canvas / PVC tops) , hard tops and pick-ups . Such vehicles are used in police, paramilitary, defense, Public and Works Department (PWD), public sector organizations and the Government of India continued to be the single largest MUV buyer. Recently premium MUVs have also made inroads into the urban areas.

The MUV segment is controlled to the extent of 95% by companies like Bajaj Tempo, Telco, Maruti Udyog, Toyota Kirloskar Motor and M & M which accounts for the highest market share of 46%.

LCVs have the Gross Vehicle Weight (GVW) of less than 6 tonnes and the market comprises several players like Ashok Leyland , Bajaj Tempo , Eicher , Hindustan Motors , M&M with Telco commanding nearly 60% of the market share . The continued deregulation & liberalisation of Indian Economy has

provided an impetus to rapid growth of the Auto sector. India is expected to become a major export base for auto components and aggregates. The entry of global automobile giants in the Indian market, increasing GDP growth rate, multi-motorisation and envisaged higher investment in infrastructure is expected to give further boost to the Indian automobile industry.

The core businesses of M& M are manufacturing, distribution and sale of Farm Equipment and Utility Vehicles. In the Automotive sector the company is currently present in the LCVs , Cars , Jeeps / MUVs , 3- wheelers and in the Farm Equipment Sector it comprises Tractors and other farm mechanisation equipment with the highest market share in MUVs and Tractor segments till date.

FES (Farm Equipment Sector) services both agricultural and non-agricultural tractor markets, but mainly in the former category .The tractor business which is segmented according HP includes the segments of 25HP, 35 HP and beyond 45 HP . All the new multinational entrants have products catering to each of the three segments. However the competition is more pronounced in the mid and higher HP segments. M & M is one of those few players who have been exploiting the unparalleled opportunity offered by the rural population in India and has become almost synonymous with rural India for last 55 years. However the company suffered a setback in the Tractor segment and the LCV segment during the current fiscal 2001-02 as the company is largely dependent on the rural economy which is affected by several factors .As the higher –end MUVs are beginning to compete with car markets world -wide ; this has been a very positive development for the company offering it a high growth potential . M&M launched the ‘ Bolero’ in FY2001 to cater to the high –end urban MUV segment . The scheduled launch of new state –of –the –art vehicle codenamed ‘ Project Scorpio ‘ will see M&M make further inroads into this market . The company in the current fiscal 2001-02 procured the supply order for 1,100 bullet- proof vehicles for the army . With a

drop in its mainline auto sales the company has been the first off the block to start a new division called ' Transport Solutions Group ' (TSG) which provides customised solutions to organisations to enhance their transportation efficiencies . The division notched up the sales of Rs. 1100mln and expects a profitability of 6-9%.

In the half year ended September 2001, M&M sold 13,133 vehicles in the domestic market which represented 8% growth over 12,173 vehicles sold in corresponding period in fiscal 2000-01. In the LCV segment, the company sold 1444 vehicles in the current quarter as compared to 1473 sold in the same period last year. In both the segments the company outperformed the market and thereby improved its market share to 44.6% in Utility Vehicles and 12.3% in LCVs. This improved performance has been possible by the introduction of new feature-rich models like ' Maxx 'and ' Loadking ' in the Utility Vehicle and LCV segments respectively. The tractor industry witnessed negative growth in the second quarter due to pressures on agri- incomes .The sale of tractors in the current quarter is 13,191 nos. as against 20,358 tractors sold in the same period last year , however M & M continues to be the market leader with a share of 30.2% in the tractor segment .The new series of Arjun launched was well taken in the market . The company is optimistic about the demand pick-up in the tractor segment in the second half of the year . The Operating Profit fell by 41.04% to Rs 898.9 mn. The company registered a net loss of Rs 241.65 mn as against the profit of Rs564.5 mn in the same period 2000-01. It incurred an extraordinary expense under the VRS due to a change in its amortization policy for such liabilities.

Sample Type: In the present study purposive/judgmental sample was used. The items for the sample were deliberately selected by the researcher but the choice of the researcher was not supreme in the process of sampling. The sample units were selected on the basis of the information collected from the business

magazines, journals, practicing managers-HRD, consultants, and academicians. Since there is always a danger of bias entering into the judgmental type of sampling, the researcher took sound steps to minimize it. To select the sample unit, opinion of some other experts of the field was also considered.

Procedure: The first step in the collection of data was to contact the authorities of the various organizations. In this connection the investigator did not receive a good deal of help from top managerial group, but a group of management was ready to help to a certain extent provided the names of the subjects were not to be disclosed to the investigator. Keeping in view the purpose and aim of the study, at least senior managers were required. However, the investigator took help of her senior colleagues who had first-hand contact with the authorities there. Through these colleagues, the investigator made acquaintance with the authorities of these organizations and apprised them of the aims and significance of the research. The top management members were invariably unsympathetic and they were not kind enough to extend their co-operation in the data-collection in their respective organizations. However, on further persuasion, the time and date on which the instrument could be administered by the investigator, was fixed. The investigator also requested the management to show the list of senior employees of the management of each organization and she, by using stratified random sampling technique, selected the subjects from whom the data were to be obtained.

Following the Principle of random sampling, the investigator selected every third name from the list and reached each organization on the appointed date and time. She met the subject in one room assigned for this purpose and gave an introductory talk to the subject, trying to make fully understand the purpose and importance of the investigation. The subject was told to give frank and honest answers and he/she was assured that the information given by him/her shall be kept strictly confidential and shall not be used for any other purpose. The subject

was told whenever he/she has any inquiry regarding the instrument they should feel free to ask the investigator.

Having established the necessary rapport with the subject, the investigator distributed the questionnaire and the rating scale with the personal details. First of all the subject was asked to properly fill in the research questionnaire. The investigator asked him/her to read the instructions given on the front cover of the booklet. The subject was required to read each statement and all the five responses given below it. He/She was further told to tick the one boldly which best fits in their case. It was stressed that the subject should tick only one answer for each statement and try to answer every question. After explanation, the investigator also demonstrated to the subject one or two illustrations as how to fill in the said questionnaire. When the investigator was fully satisfied that the subject had thoroughly understood the procedure, he/she was asked to start the work. In this way each subject in each organisation was asked at different time/date to work on the questionnaire.

Most of the subjects were able to follow clearly the purpose of the questionnaire, but to some, the investigator had to explain the meaning of certain sub-factors when a clarification was sought.

Then the subjects completed the work on the questionnaire, they were asked to retain this one and fill in the rating scale. Each of them was told to read the instructions carefully printed on it. Listed were given seven major factors. The subjects were told to rank the importance of these factors by putting any of the numbers 7,6,5,4,3,2, or 1 in the given bracket against each factor. 7 was for the most important factor, 6 for the next important factor and so on in order of decreasing importance. Having explained fully, the investigator also demonstrated

how to fill in the forms. When the subjects well understood what they were required to do, they were told to start the work on the rating scale.

After the subjects completed the rating scale, they were asked to retain this one also and then fill in personal details which sought information on their age, sex, designation, etc. After the investigator has explained fully, she also demonstrated as how to complete the personal details. When the subjects fully understood what they were required to do, the investigator told them to start the work.

When they had finished working on the personal details, they were asked to pin up all the forms and return the same to the investigator.

Having collected the forms from all the subjects from each organization at different times, the investigator scrutinized all the forms to ensure that the forms are fully and properly completed and no question remained unanswered. Interestingly, it was noted that the personal details were not fully completed.

Rating Scale: First of all, importance (in terms of rank order) of the seven factors was determined by obtaining the scores, from all the subjects irrespective of variables, on the basis of rating of scales for each factor. All the seven factors were then ranked on the basis of this score thus obtained.

As an additional evidence with respect to the importance of each factor, the investigator also obtained the score from all the subjects. The score of the items of the questionnaire was done by assigning arbitrary weights of 10, 7.5, 5, 2.5 and 1 to 'very much', 'much', 'some what', 'slightly', & 'not at all' respectively for positive items; negative items were not selected. The score so obtained was divided by the number of items comprising each factor to obtain mean score for each factor, & ranked the seven factors on the basis of mean score so obtained. A

high score indicated that the factor is most important while a low score showed that the factor is the least important.

Subjects' scores were then tabulated. The information collected by using rating scale was also tabulated.

According to the original plan, the investigator decided to determine the **Order of Importance for the Seven Factors for all the subjects combined together** as well as in relation to certain independent variables, but due to lack of sufficient sample for the reason mentioned earlier, only **Combined Sample** was considered for the purpose. The dependent variable in this part was the importance score obtained from the senior managers on each of the seven factors. These scores were analysed to determine the relative importance of the factors in terms of their means & ratings. As may be seen from Table – (a), based on mean importance score, the most important factor was found to be the 'Human Issues related to the Human Resource Policy' & the least important was 'Human Issues related to Industrial Relations' in the 'Human Issues under Modernization Strategies'. Other five factors namely 'Human Issues related to the Revision and Measurement of Job Description', 'Human Issues related to the Human Resource Methods and Systems', 'Human Issues related to the Retrenchment and Redeployment of Workers', 'Human Issues related to the Selection, Training, Development and Retention of Employees' & 'Human Issues related to the Employees' Morale and Organizational Climate Setting', were ranked 2, 3, 4, 5 & 6 respectively. The analysis of the data in terms of ratings as shown in Table – (b) revealed the same pattern of preference in case of factors namely 'Human Issues related to the Human Resource Policy', 'Human Issues related to the Revision and Measurement of Job Description', 'Human Issues related to the Employees' Morale and Organizational Climate Setting' & 'Human Issues related to Industrial Relations' while differed slightly in factors called 'Human Issues related

Table – (a)

**Showing The Ranks of the Seven Factors Based on Mean Scores
N = 10**

Factors (Categories)	Mean Importance Score	Rank Order of Importance
Factor A : Human Issues related to the Human Resource Policy	98	1
Factor B: Human Issues Related to the Revision & Measurement Of Job Description	96	2
Factor C: Human Issues related to the Human Resource Methods & Systems	93	3
Factor D: Human Issues related to the Retrenchment & Redeployment of Workers	92	4
Factor E: Human Issues related to the Selection, Training, Development & Retention of Employees	88	5
Factor F: Human Issues related to Employees' Morale & Organizational Climate Setting.	80	6
Factor G: Human Issues related to Industrial Relations	73	7

On the basis of mean score as may be seen from table-(a), 'Human Issues related to the Resource Policy' is the most important factor while 'Human Issues related to Industrial Relations' is the least important factor in Indian business organizations under modernization strategies.

Table –(b)

Showing The Ranks of The Seven Factors Based on The Ratings
N = 10

Factors (Categories)	Ist Rating (7)	2 nd Rating (6)	3 rd Rating (5)	4 th Rating (4)	5 th Rating (3)	6 th Rating (2)	7 th Rating (1)	Rating Score (Total) of Import -ance	Rank Order of Import -ance
Factor A : Human Issues related to the Human Resource Policy	35	12	5	8	--	--	--	60	1
Factor B: Human Issues Related to the Revision & Measurement of Job Description	35	6	--	--	6	2	1	50	2
Factor C: Human Issues related to the Human Resource Methods & Systems	--	12	--	8	6	4	2	32	5
Factor D: Human Issues related to the Retrenchment & Redeployment of Workers	28	6	5	4	3	--	2	48	3
Factor E: Human Issues related to the Selection, Training, Development & Retention of Employees	7	6	5	4	6	4	2	34	4
Factor F: Human Issues related to Employees' Morale & Organizational Climate Setting.	7	--	--	8	6	8	1	30	6
Factor G: Human Issues related to Industrial Relations	--	--	5	--	6	6	4	21	7

As may be seen from the Table-(b), the most important factor is 'Human Issues related to the Human Resource Policy' while 'Human Issues related to Industrial Relations' is the least important factor in the Indian business organizations under Modernization Strategies based on the ratings.

to the Human Resource Methods and Systems', 'Human Issues related to the Retrenchment and Redeployment of Workers' & 'Human Issues related to the Selection, Training, Development and Retention of Employees'.

The findings of this study clearly indicated that the most senior managers in Indian business organizations were generally in agreement regarding their importance of the factors under modernization strategies.

Sample Testing i.e. Statistical Analysis: The data in the present research were collected from the senior managers (HRD) of the organizations selected in the sample. A well designed questionnaire containing 20 items related to the seven major factors of human issues was used. The respondents were required to rate each item on a ten point scale. The data thus obtained were tabulated factor-wise as given in Table - 1. At the first stage the average score for one factor obtained by one respondent was calculated. After that a combined mean of overall sample for each factor was calculated. Finally, seven average-means for seven factors related to human issues were emerged. These average-means were then compared with the hypothetical means for each factor with the help of t- test. The hypothetical means were obtained on the basis of information collected from secondary data and the opinion of the experts in this field.

A tabulated sheet as shown in Table - 2 gives the formula used for the purpose and mentions the average-mean of each factor, its hypothetical mean, table value, calculated t-value and the result of t-test whether factors are significant or insignificant. Looking at this table - 2 of the factor analysis we can find out significance or insignificance of each human factor that has been tested at 5% level of significance. The table shows that majority of factors are insignificant. However, a few are significant to a minor extent. The factors which are showing some.

Table-1

Combined Mean of Overall Sample For Each Factor & Seven Average-Means For Seven Factors Related to Human Issues

HUMAN ISSUES		MAHENDRA & MAHENDRA	IIS INFO-TECH	ESSAR STEEL	JOHNSON & JOHNSON	BATA	BOC	BHEL	MOHAN MEAKINS	HINDUS-TAN LEVERS	NTPC	Tot-al	Aver-age
FACTOR-A: Issues related to the Human Resource Policy													
a)	Proper strategic approach towards HRD	10 10 10 10	10 10 10 10	10 10 10 10	10 10 10 10	10 10 10 10	10 10 10 10	10 10 10 10	10 10 10 6	10 10 10 10	10 10 10 10	98	9.8
b)	Alignment between corporate and HR strategy	10 10 10 10	10 10 10 10	10 10 10 10	10 10 10 10	10 10 10 10	10 10 10 10	10 10 10 10	10 10 10 6	10 10 10 10	10 10 10 10	98	9.8
c)	Alignment between organizational and employees objectives	10 10 10 10	10 10 10 10	10 10 10 10	10 10 10 10	10 10 10 10	10 10 10 10	10 10 10 10	10 10 10 6	10 10 10 10	10 10 10 10	98	9.8
d)	Need for greater people orientation	10 10 10 10	10 10 10 10	10 10 10 10	10 10 10 10	10 10 10 10	10 10 10 10	10 10 10 10	10 10 10 6	10 10 10 10	10 10 10 10	98	9.8
FACTOR-B: Issues related to the Revision and Measurement of Job Description													
a)	Continuous revision and assessment of job description	10 10 10 10	10 10 10 10	8 9 9 10	9.5 9.5 9.5 10	9 9.5 9 10	9 9 9 10	10 10 10 10	10 10 10 10	9.5 9.5 9.5 10	9 9.5 9.5 10	96	9.6
b)	Upgrading employees as per the revised job description	10 10 10 10	10 10 10 10	8 9 9 10	9.5 9.5 9.5 10	9 9.5 9 10	9 9 9 10	10 10 10 10	10 10 10 10	9.5 9.5 9.5 10	9 9.5 9.5 10	96	9.6
FACTOR-C: Issues related to the Human Resource Methods and Systems.													
a)	Continuous rationalization and designing of HR systems, policies tools and techniques	10 10 10 10	9 9.5 9 10	10 9.5 9 10	10 9 9 10	9 9 9 10	8 9 9 10	9 9.5 9 10	9 9 9 10	10 9.5 9.5 10	8 9 9 10	93	9.3
b)	Continuous system's monitoring survey, feedback and HR research	10 10 10 10	9 9.5 9 10	10 9.5 9 10	10 9 9 10	9 9 9 10	8 9 9 10	9 9.5 9 10	9 9 9 10	10 9.5 9.5 10	8 9 9 10	93	9.3

HUMAN ISSUES		MAHENDRA & MAHENDRA	IIS INFO-TECH	ESSAR STEEL	JOHNSON & JOHNSON	BATA	BOC	BHEL	MOHAN MEAKINS	HINDUS-TAN LEVERS	NTPC	Total	Average
FACTOR-D: Issues Related to the Retrenchment and Redeployment of Workers													
a) Minimizing retrenchment of low skilled workforce	10 10 10	10 10 10	10 10 10	10 10 10	7.5 7.5 7.5	10 10 10	5 10 7.5	10 10 10	6.5 7 7.5	10 10 10	10 10 10	92	9.2
b) Retooling and redeployment of retrenched workers	10 10 10	10 10 10	10 10 10	10 10 10	7.5 7.5 7.5	10 10 10	10 10 10	10 10 10	7.5 7 7.5	10 10 10	10 10 10		
FACTOR-E: Issues related to the Selection, Training, Development and Retention of Employees													
a) Adaptability of managers in a dynamic and flat work systems	7 10 10	7.5 7.5 7.5	7.5 7.5 7.5	7.5 7.5 7.5	10 10 10	7.5 7.5 7.5	7 10 9	10 10 10	7.5 7.5 7.5	10 10 10	10 10 10	88	8.8
b) Attracting and retaining knowledge workers	10 10 10	7.5 7.5 7.5	7.5 7.5 7.5	7.5 7.5 7.5	10 10 10	7.5 7.5 7.5	10 10 10	10 10 10	7.5 7.5 7.5	10 10 10	10 10 10		
c) Emphasis on multi-skilling and ability to work in multi-cultural settings	10 10 10	7.5 7.5 7.5	7.5 7.5 7.5	7.5 7.5 7.5	10 10 10	7.5 7.5 7.5	10 10 10	10 10 10	7.5 7.5 7.5	10 10 10	10 10 10		
FACTOR-F: Issues related to Employees' Morale and Organizational Climate Setting													
a) Boosting of employees morale	7.5 7.5 8	7.5 7.5 8	7.5 7.5 8	7.5 7.5 6	7.5 7.5 7	7.5 7.5 7	7.5 9 8	9 9 9	10 7 9	10 10 9	10 10 9	80	8.0
b) Building organizational learning environment.	9 9 9	7.5 7.5 9	7.5 7.5 9	7.5 7.5 3	7.5 7.5 6	7.5 7.5 6	7.5 7.5 7.5	9 9 9	10 7 10	10 10 7	10 10 7		
c) Issue of workers' empowerment & delegation.	7.5 7.5 7.5	7.5 7.5 7.5	7.5 7.5 7.5	7.5 7.5 7.5	7.5 7.5 7.5	7.5 7.5 7.5	7.5 7.5 7.5	7.5 7.5 7.5	7.5 7.5 7.5	7.5 7.5 7.5	7.5 7.5 7.5		
FACTOR-G: Issues related to Industrial Relations													
a) Increased politicisation of workers' union	8 8 8	7.5 2.5 2.5	7.5 2.5 2.5	7.5 7.5 5.5	7.5 5.5 7	10 7.5 8	5 7 5	7.5 7.5 8	7.5 5.5 7	10 10 10	10 7.5 7	73	7.3
b) Aggravating HR harmony and peace	8 8 8	7.5 2.5 2.5	7.5 2.5 2.5	7.5 5.5 7	7.5 5.5 7	10 7.5 8	5 7 5	7.5 7.5 8	7.5 5.5 7	10 10 10	10 7.5 7		
c) Powerlessness and redundancy of unions	8 8 8	7.5 2.5 2.5	7.5 2.5 2.5	7.5 5.5 7	7.5 5.5 7	10 7.5 8	5 7 5	7.5 7.5 8	7.5 5.5 7	10 10 10	10 7.5 7		
d) Changing power equations between management and unions.	8 8 8	7.5 2.5 2.5	7.5 2.5 2.5	7.5 5.5 7	7.5 5.5 7	10 7.5 8	5 7 5	7.5 7.5 8	7.5 5.5 7	10 10 10	10 7.5 7		

Table-2
Result of Factor Analysis

Factor	Name of Factor	Mean Value of Each Factor	Hypothesised value of Each Factor	Table Value of Each Factor at 5% Level (on 9 d.f.)	Calculated t-Value of each factor	Significance	Result
*Factor A (F1)	Issues related to the Human Resource Policy	9.8	9.3	2.26	2.500	5%	Significant
*Factor B (F2)	Issues related to Revision & Measurement of Job Description	9.6	9.3	2.26	2.405	5%	Significant
*Factor C (F3)	Issues related to Human Resource Methods & Systems.	9.3	9.0	2.26	2.714	5%	Significant
**Factor D (F4)	Issues related to the Retrenchment & Redeployment of Workers	9.2	9.0	2.26	0.488	Below 1%	Insignificant
**Factor E (F5)	Issues related to the Selection, Training, Development and Retention of Employees	8.8	8.5	2.26	0.802	Below 1%	Insignificant
**Factor F (F6)	Issues related to Employees' Morale and Organizational Climate Setting	8.0	7.8	2.26	0.600	Below 1%	Insignificant
**Factor G (F7)	Issues related to Industrial Relations	7.3	7.0	2.26	0.639	Below 1%	Insignificant

$$\text{Formula used : } t = \frac{\bar{X} - \mu}{\sqrt{\mu S^2/n}}$$

where μ is hypothetical value, S is standard deviation, \bar{X} is mean value & n is number.

* denotes significance at 5% level

** denotes insignificant factor

degree of significance are mainly due to technical fluctuation related to the type of the sample selected and the method employed for the same. However, this degree of significance is not a major one and therefore it does not affect seriously the hierarchy and gravity of human issues.

Limitations of the Study:

1. No research, however comprehensive it may be in all respect, is free from limitations. The present research is no exception. The most serious limitation of the study is that the sample of the present study is drawn only from two organizations and therefore it is difficult to generalize its findings to other parts of country. Another limitation of this research is that the researcher obtained very little information about the relevant studies, which may not throw much light on the findings of this study. Thirdly, the data are to be collected from the workers in the organizations where it was doubtful that the workers would give free and frank answers to the questions; even the companies may hesitate to share the data for trade reasons. However, the choice of organizations may be changed if the sample organizations do not provide us with the required data.
2. In the above case, the researcher may take support of secondary data available on the sample organizations by various journals and articles.
3. The scope of the study depends upon the availability of primary data and feedback by the sample organizations.
4. Funds are not provided either by the educational institutions or companies; it therefore effects the quality of research.
5. In the present research, only public and private sector organizations were studied.
6. Various human issues were emerged in every modernization strategy, but only some were selected on which experts agreed. The same study can be

conducted in future on a much more larger scale by covering many more human issues and also more organizations in the sample plan.

7. The present study was conducted from the management point of view only because the objective was to measure the gravity of the people related issues and not to conduct any attitude or opinion study and therefore senior managers (respondents) were not very cooperative or open about giving full information regarding issues related to the people.
8. The “issues related to people” is a very sensitive matter.
9. Various small scale industries are also adopting modern HR approaches. This sector is also likely to face these human issues. In the present study only large scale enterprises were taken into consideration.

The researcher would try her level best to overcome these limitations.

Applications of the Study:

1. Main beneficiaries are industries which can take into consideration its findings and recommendations.
2. Another group of beneficiaries are academicians who can use its references.
3. HR-managers and trainees can take these issues for designing and formulating human resource systems and strategies.
4. The managers have to be cautious of these issues before undertaking any modernization process so that human issues can be dealt within proactive manner.
5. Future researches can be conducted on a much more larger scale.

CHAPTER-VI

RESULTS AND DISCUSSION

As mentioned earlier, the present study was carried out to assess human issues under modernisation strategy in Indian business environment, with the two main objectives of the present research in mind (1) To study and measure human issues in the organisations that have modernized themselves (2) To propose HR systems/strategies and policies for managing the human issues in such organisations.

For the first objective of the present research, some organisations from the public and private sectors particularly those have gone through the process of modernisation were selected. These organisations were : MAHINDRA & MAHINDRA, IIS INFOTECH, ESSAR STEEL, JOHNSON and JOHNSON, BATA, BOC, BHEL, MOHAN MEAKINS, HINDUSTAN LEVERS, AND NTPC. The data were obtained from the senior managers of these organisations that covered 20 important human issues grouped into 7 major categories / factors which are as follows:

Factor A (F1): Issues related to the human resource policy:

- (a) Proper strategic approach towards HRD
- (b) Alignment between corporate and HR strategy
- (c) Alignment between organizational and employees objectives.
- (d) Need for greater people orientation

Factor B (F2): Issues related to revision and measurement of job description:

- (a) Continuous revisions and assessment of job description
- (b) Upgrading employees as per the revised job description

Factor C (F3): Issues related to the human resource methods and systems:

- (a) Continuous rationalisation and designing of HR system, policies, tools and techniques.
- (b) Continuous system's monitoring, survey, feedback and HR research.

Factor D (F4): Issues related to the retrenchment and redeployment of workers:

- (a) Minimizing retrenchment of low skilled workforce
- (b) Retooling and redeployment of retrenched workers.

Factor E (F5): Issues related to the selection, training, development and retention of employees:

- (a) Adaptability of managers in a dynamic, flat & networked systems
- (b) Attracting and retraining knowledge workers
- (c) Emphasis on multi-skilling and ability to work in multi-cultural settings

Factor F (F6): Issues related to the employees, morale and organisational climate setting:

- (a) Boosting of employees morale
- (b) Building organisational learning environment
- (c) Issues of workers empowerment and delegation

Factor G (F7): Issues related to industrial relations:

- (a) Increased politicization of workers union

- (b) Aggravation of HR harmony and peace
- (c) Powerlessness and redundancy of unions
- (d) Changing power equations between management and unions.

All the above issues were carefully examined. One senior HR manager of each organisation selected in the sample, was required to rate each issue importance wise on a 10 point rating scale. The mean rating score for each factor was calculated which subsequently tested by means of 't' test. The significance of difference was determined by comparing the calculated mean with a hypothetical mean assumed by researcher in abundance. Besides the rating of human issues, a qualitative analysis was also carried out to highlight certain specific matters. The rating score simply suggests the importance of a principle/factor/issue in general. But from the research point of view and in view of the main objectives of the present investigation, certain specific aspects related with a particular issue are also essential to analyze. For this reason, the qualitative analysis became inevitable. It helped the investigator to suggest a useful HR system, strategies and policies for managing the human issues. Thus on the basis of these findings, the second objective of the present research was achieved.

The overall aim of the present investigation was to achieve organizational excellence through the proper handling of the human issues related with different aspects. Since the human resource is the most valuable asset in any organization, no one can expect the survival and growth of the organization without effective HR management. The HR management is not the way of looking at the people, business and strategy, rather it is a process of transformation of the covert and overt human talents into the organizational objectives. Thus the attainment of the objectives means the effective utilisation of human resource. An organisation seeking optimum utilisations of its human talents must take care of:

- (a) The recruitment of the right personnel possessing adequate skills, knowledge, and competencies.
- (b) Making the employees know about the management's view that people work with us rather than people work for us.
- (c) That every employee should be informed about the goals to be achieved and the part of their contribution for the attainment of organizational goals.
- (d) Maintenance of sound industrial and human relations, well supported by monetary and non-monetary benefits so as to mould the employee attitudes and behaviour towards the job and organisation requirements.
- (e) Formulation of sound organisational policies indicating clear-cut authority, responsibility and accountability.

The above aspects helped investigator creating a well designed framework consisted of aforesaid seven factors to study the human issues related with HR practices. The factor wise analysis and the analysis of the various sub factors related to each main factor is as follows:

Factor A (F1): Issues Related to Human Resource Policy

The mean rating score for the issues related to human resource policy was 9.80 (ref. table- 2) and the hypothesized mean for this factor was 9.30. The calculated 't' value for the difference of these two means was 2.50 which is higher than the table value at .05 level of significance. What so ever was assumed by the researcher, results came beyond the expectation. The factor A (F1) was found the most important factor among the various human issues related to HR practices. The researcher, in consultation with some experts., considered the issue of human resource policy as one of the most critical factor of HR practice. The observed mean rating score significantly higher than the assumed mean rating score suggests that human resource policies in practice play a significant role in human

resource management. The HR policies are a set of proposal and actions that act as a reference point for managers in their dealings with employees. Personnel policies constitute guide to or bases on which decisions are reached. Their genesis lies in an organisation's values, philosophy, concepts and principles. HR policies guide the course of action intended to accomplish personnel objectives. The objectives of HR management for an organisation may include :

- (i) creations and utilisations of an able and motivated work force to accomplish the basic organisational goals
- (ii) Establishment and maintenance of sound organisational structure and desirable working relationship among the members of organisation at each level.
- (iii) Integrations of individual and groups within the organisation by means of coordination of the individual and group goals with those of the organisations
- (iv) Creating the talents among the organisational members to face the challenges of change
- (v) Effective utilisation of human resources in the achievement of organisational goal
- (vi) creating facilities and opportunities for individual/group development so as to match it with the growth of the organisation.
- (vii) Identification of individual and group need and its satisfaction by adequate and equitable wages, incentives, employee benefits and social security for challenging work, prestige, recognition, surety, status, etc
- (viii) Maintaining high morale and sound human relations by sustaining and improving the various conditions and facilities
- (ix) Arranging training and development programmes to strengthen the human assets continuously
- (x) Minimisation of socio-economic evils like unemployment, under-employment, inequalities in the distribution of income and wealth and to improve the welfare of the society by providing employment opportunities to women and disadvantaged section of the society.
- (xi) Creations and establishment of efficient and effective communication system so as to minimize the distance between upper and lower level employees of the organisation
- (xii) Maintaining an efficient and effective redressal system for the grievances of employees
- (xiii) Development of a system to provide fair,

acceptable and efficient leadership (xiv) Creation of favourable atmosphere for maintaining stability of employment.

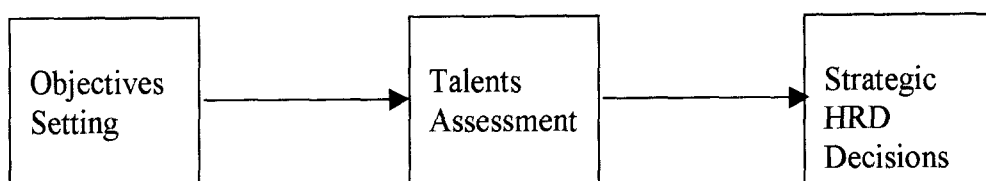
The objectives of the HR management are many and varied. Some of them may be contradictory to each other. As for example, having a socialist view point in HR planning may not favour the corporate objective. In this context the HR policies become very critical and thus force to consider following points.

- (a) Proper strategic Approach towards HRD
- (b) Alignment between corporate and HR strategy
- (c) Alignment between organisational and employees objectives
- (d) Need for greater people orientations.

a. Proper Strategic Approach Towards HRD

For the strategic approach of HRD, all organisations selected in the sample of the present study showed a high level agreement and assigned 10 marks on the importance rating scale. It shows that there is no place to divert from the strategic approach of human resource development. The process of HRD does not imply simply the employees benefit, their training and retraining and maintaining good human relations and environmental conditions. The process of HRD is always strategic. It is the specific way of action with certain purpose. The top management first of all require to set the target to be achieved within their available resources and external environmental conditions. At the second stage the available talents are to be assessed and then at the third stage, the strategic decision of HRD should be taken. This process may diagrammatically be presented in the following manner.

(figure A1)



The objectives to be achieved are set well in advance, not on the basis of available talents and resources, rather on the basis of external environmental situation. The talents assessment implies the evaluations of the required talents and skills to achieve the objectives and an appraisal of the available talents and skills. The difference between these two leads for the strategic HRD decision.

The HRD Perspective consist of more than humanistic or welfare direction. The Psychological growth of a person requires his involvement in the process of learning. The HRD programme in a business organisation does not imply Psychological growth and development of individuals. It implies the development of whole organisations. In this way it becomes a Psychological construct that includes learning process and cultural factors both. The strategic HRD decisions aiming to optimize its effectiveness further include in itself the managerial orientation the administrative strategy; environmental scanning that includes the study of the competitive scenario of external environment; and aspiration scanning that includes the study of the expectations of employees. The strategic HRD is diagrammatically presented in figure A2.

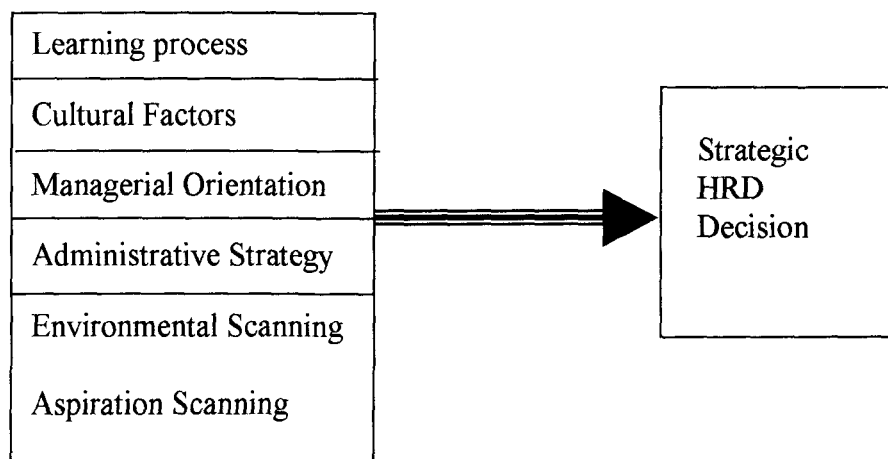


Figure – A2

The Learning Process.

An effective HRD programme must include in its design those factors that contribute to learning. These factors are : (a) Relational factors (b) Experience for learning (c) Need to learn. In other words we can say that maximum learning will occur if the above factors are considered. These factors are discussed in detail as below.

(i) Relational Factors:- It is well established fact that is very difficult in isolation. Individual learn easily from interaction with others. The quality and variety of interaction play on important role in the process of learning. Chris Argyris (1964) argued than individual learn about himself by the way other people react to him. In this sense other people are a mirror to him for understanding himself. In some cases other people serve as a role model. More open the interaction among people, higher the probability that an individual will learn about himself from such interactions. This is one important reason why dyadic and group experience become an inherent part of an HRD programme. It is, however, important to recognise that HRD is concerned with development process at all three levels: the individual, the group, and the organization as a whole experiences at all these three levels contribute significantly to an individual's growth. Each level is complementary to the other levels.

(ii) Experience for learning:- Self confidence, competence and skills develop from doing things oneself and not by thinking about what can be done. In administration experience of doing the job is necessary to gain confidence, knowledge, skill, and maturity. Experience of handling problems, confronting a variety of different situations are important impulse for maturation. A person who has not handled problems and issues, tends to oversimplify them. Often a person changes his perspective when he is placed in a position to handle problems himself. Many time a manager finds that things that looked obvious and simple

from a distance are in fact not so. Decision making and problem solving are requirements for maturation and self learning HRD Programme, therefore, should be designed to provide a variety of meaningful experiences to employees to develop competence and skill to handle effectively work related problems.

Experience is also important for an individual to learn values attitude meaning of work, norms of behaviour and the like. An individual learns what are right and wrong standards of behaviour through interaction with peers, superiors and subordinates, and from what he observes in his environment of work. This is the process of organisational socialization.

- (ii) **Need to learn:-** The most important aspect of learning process is that an individual should have motivation to grow. He should appraise his capacity to learn and have the urge to improve his individual effectiveness. In many organisations individuals perform routine and repetitive tasks. The jobs have ill defined boundaries with the result that the subordinate functions mainly as assistant to the manager and constantly checks whether he can take the decision.

Cultural Factors:

In the social environment of many Indian organizations, the concept of growth assumes two forms:

- * by presenting a role model the supervisor officer expects his subordinate to become like himself, and
- * by constant inducement and direction the superior officer moulds the subordinate to become an ideal person, as per his model.

HRD had a different concept of growth. This concept hypothesises that the dynamics of growth of individuals is different. A person would grow best if he

were to seek his own mould. One person may learn from taking up and impossible challenge: another person will learn from incremental effort. An individual should understand his own strengths and weaknesses, and analyse the reasons for both. He should evolve a personal strategy to improve his own capability. This approach is referred to here as clinical approach.

The culture-specific or directional approach make heavy demands on the supervisor, as he would have to either be a role model or take up responsibility for directing an individual's growth. In the clinical approach, the superior is concerned with changes in the process of management, and in creating conditions for the growth of individuals. HRD programme has this orientation.

The Managerial Orientation

A number of managers believe that the mission of an enterprise is producing goods and services at a profit. People are seen to be a means to achieving the results. Those employees who contribute to the production of goods and services, deserve a manager's attention. Poor producers could be ignored. This is a selective approach. The consequences of a selective approach are many and are extensively discussed in the literature (Sharif, 1967). It leads to "we and they" feeling, making homogeneous social organization difficult. The inter group conflict and hostility between and among groups create mistrust and due to this, it is difficult to establish cooperation among them.

HRD does not follow selective approach. Rather it has belief in developing all people to their full capacity. The programmes that enable growth are meant for all employees. It is true that some employees will invest less in their growth than others and therefore, benefit from the programme in proportion to what they put into it. But this option is exercised by the individual and not the organization.

Administrative Strategy

Being spread out large organizations have considerable difficulty in developing conviction in HRD at different levels of the organization, Effectiveness of HRD depends upon how widely the belief is shared by managers. The programme often requires a change in managerial values. In most Indian organizations the concept of regulation or control is equated to management. It is believed that a manager is effective only if he can reward or punish an employee. Regulation and control often apply to behaviour and not result. The concept of process control is rarely applied fully in supervisory functions. Problem solving strategies often deal more with symptoms than the cause. Due to this orientation, most organizations experience one crisis after another.

HRD approaches emphasis control through process. In large organization, conscious efforts are needed to gain acceptance of HRD as a philosophy. In many cases, this exercise involves change in managerial style, especially in respect to decision making and problem solving approaches.

Environmental Scanning

The environmental scanning refers to the study of the competitive scenario of the market and the strategies of the competitors. The present era is a period of skill shortage. Organisations are facing difficulty in retaining the competent personnel because competitors create various attractions. To ensure the survival and growth of the organisation it is essential to retain the competent personnel. For this purpose it is essential to examine what the others are doing for the benefit of their employees. The quality of HRD programme designed by the organisation should not be less than the quality of HRD programme designed by the competitors.

Aspiration Scanning

When an employee joins an organisation he has certain needs desires and ambitions. He has various expectations from the organisation. The strategic HRD decisions require to effectively responding to the changing nature of expectations of people joining the workforce. One organisation that had developed close and family like relationship by giving employees benefit schemes and by consciously developing informal relationships at all levels, now feel that the new employee show need for different managerial practices. They want to feel more independent and less beholdng to the employers and find their own identity. They need more elbowroom to express themselves. The welfare and paternal approaches do not satisfy the younger employees aspirations to the independent and selfreliant The reason for changing aspiration are many. The most important among these reasons are two:

- (i) The societal emphasis on democratic values and efforts to exhibit these through mass media, and in Institutional relationship.
- (ii) Having broadly satisfied minimum need of security, the motivational structure of the population has been changing.

b. Alignment between corporate and HRD strategy.

The HR Strategy cannot be excluded from the corporate strategy. There is a need of alignment between these two. The importance of this factor has been rated high by all the organisations of sample except Mohan Meakins. Out of the ten (10) organisations of the sample of present study nine (9) organisations assigned 10 marks out of ten (10) on importance rating scale. It shows that there is a need to combine the human resource strategy of the organisation with its other operations and activities. In the beginning managers must ask themselves what they want to accomplish, how large they want the company to be and where the necessary capital and people will come from. The consultants when sit together with company presidents ask them where they want to be what their expectations are

for the organisation especially their expectations of performance for the key people. Then the key employees, away from the presidents discuss these same questions with other people and in consultation with the employees and consultants the corporate strategies are designed. These strategies can better be implemented and the objectives can easily be achieved by the effective use of human resources which is said to be same as the effective use of employees' Knowledge, skills and talents. The diversity in the work force may obstacle the effective utilisation of knowledge and skills of the work force. The HR managers require to recognise the increasing diversity of work force. They also require to provide opportunity for workers' participation in decision making and to design jobs to meet workers' needs for personal growth and development. Matching the workers' skills with job requirement and designing and allocating works to better match changes in the business environment with changes in the work force composition is also essential. Consideration of these points establish an alignment between corporate strategy and HR strategy. It can be better explained by the model depicted in figure A3

Figure A₃

(Alignment between corporate and HR strategy)

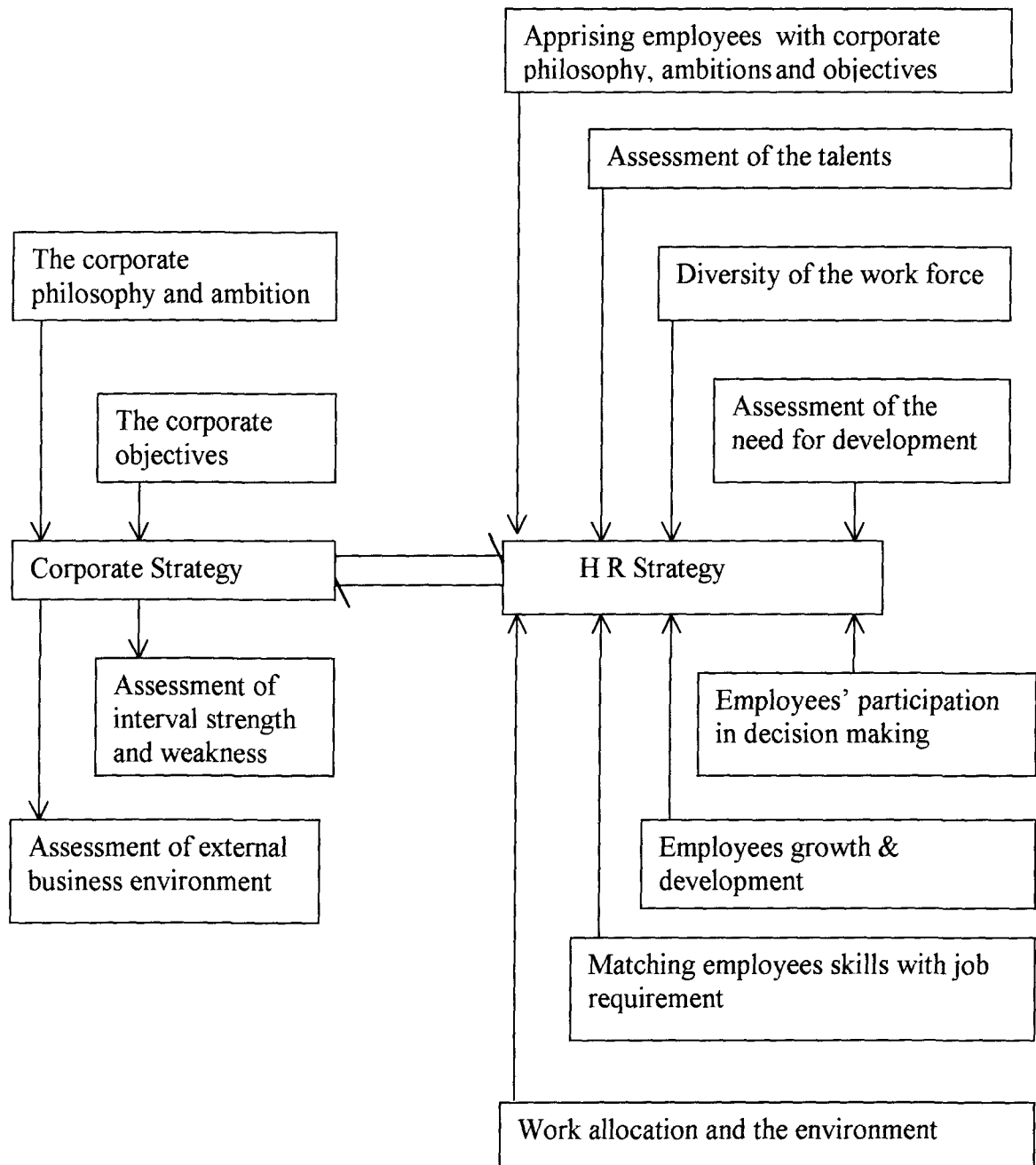


Figure A₃ reveals that alignment between corporate strategy and HR strategy can be established by considering main aspects related to corporate/business and the aspects related to employees. First of all it is essential to study the corporate philosophy and ambition. What is our aim, where we want to be in a specified period of time, how fast we want to grow and in what direction? After having found the answer to all these questions, the organisational objectives are decided. To achieve the organisational objectives, strategies are designed after assessing the internal strengths and weaknesses and external business environment. The corporate strategies will remain ineffective if HR strategies are not properly designed. Employees of the organisation should be aware of corporate philosophy and ambitions. Assessment of available talents is essential to take decision regarding the required level of talents. Diversity of work force is to be studied because the work force includes distinct sub-group. There is a growing demand for organisations to be able to accommodate a variety of individual needs. That accommodation will necessitate organisational system-such as management, planning and control that are responsive to a work force diverse in gender, lifestyle, age and ethnic background. Study of diversity of work force and available talents in the organisations help management to take decision regarding the nature of needs for development. A better form of HR strategy can be designed by providing opportunities to employees for their active involvement in the process of decision making such participation of employees increases their satisfaction and performance outcomes. It also enhances the acceptance of steps taken for their growth and development. The HR strategy should also have a provision to match the employees skills with the job requirement. It is beneficial for employees as well as organisation. A special consideration is also required for the work allocation. With the increasingly turbulent business environment, the changing nature of work force, and the modernisation of technology force for a more flexible allocation of work. Possible solutions include part-time work, job sharing, job transfers between couples, flexi time or on-call schedules.

c. Alignment Between Organisational and Employees Objectives

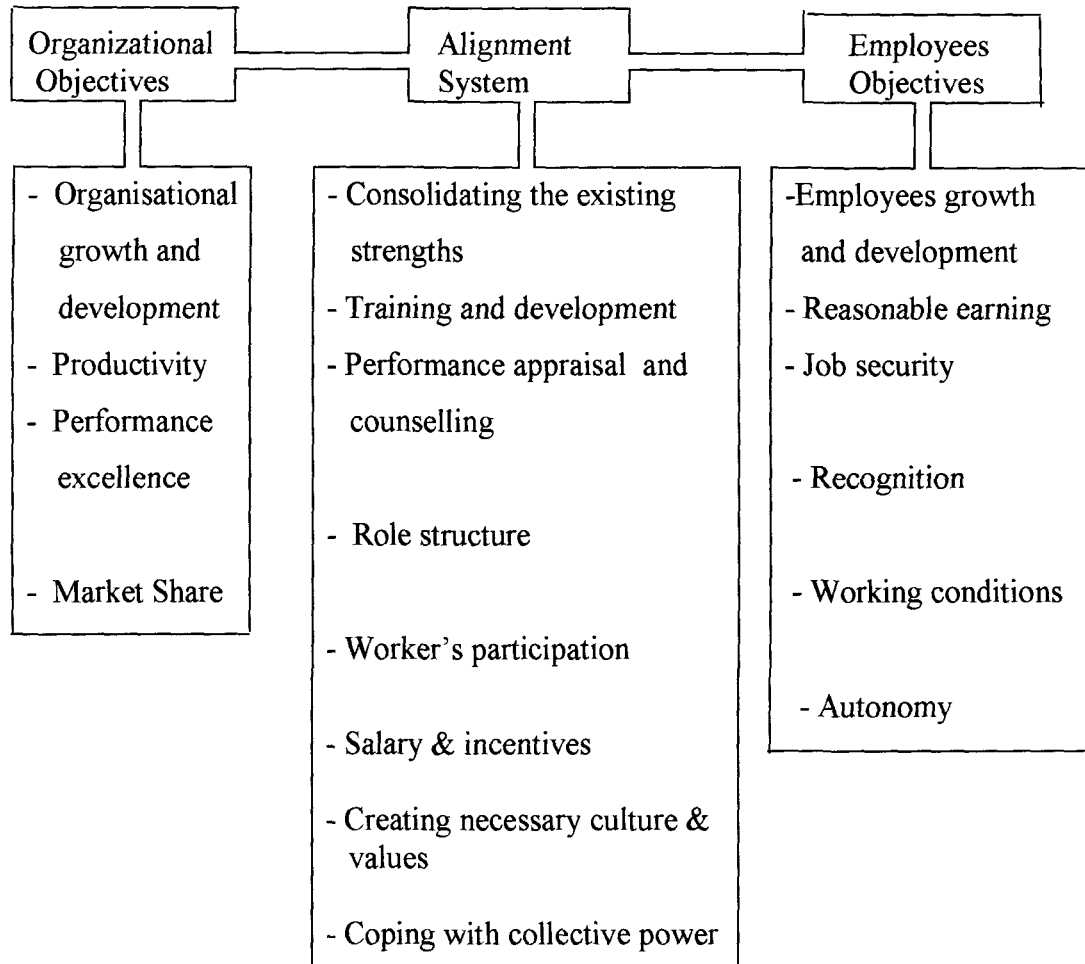
The human resource policy serves as the guideline for the proper functioning of the organisations to achieve its aims and objectives. Every organisation has certain objectives which it wants to achieve. These objectives are different and many for the different organisations. Some of them are so crucial and important that they are common even in different organisations. Such objectives are organisational growth and development; Maximisations of market share, etc. Beside these general objectives, there are some sepecific objectives too, which may differ from time to time and situation to situation. The HR Policies are designed to achieve general as well as specific objectives of the organisation.

An organisation is a group of people with a formal structure and hierarchy of responsibility and authority. It is now increasingly realised that the people working in the organisation are human beings. They have their own needs, motivations and expectations, and that their contribution to the organisation is much more than that of any other resource being used. In short we can say that like the organisation, employees also have their own objectives which they want to achieve along with the achievement of organiational objectives. The employees objectives may be: Employees growth and Development; Reasonable salary; Job security; Recognition of performance ; working conditions ; Autonomy, etc. If employees feel that their objectives have not been taken care of by the organisation, they may lose interest in the organisational objectives. If the growth and development of employees are linked with the growth and development of the organisation, attainment of organisational objectives will become easier. Hence, there is a need to establish an alignment between organisational objective and employees objectives. The data obtained in the present research is in highly consonance with this view. All the respondents rated this factor are very high. They assigned 10 marks out of 10 on importance rating scale for the alignment

between organisational and employees objectives. It shows that organisational objectives and employees objectives are complementary to each other. Neither can be achieved without other. Thus, a proper alignment between these two is essential for organisational success and organisational excellence. The organisational objectives as well as employees objectives may be many and varied. There may be a conflict between these two. If the cost reduction has become inevitable to the organisation, it will certainly go against the high salary objective of the employees. Retrenchment and salary reduction do not serve the purpose. Of course cost reductions and high salary objectives are contradictory to each other. Both can be achieved through a proper alignment between them. Improvement in productivity is the best way. When Hindustan Levers Limited took over Modern Foods Ltd., it was a sick unit. Within a short span of time HLL turned around a sick company (MFL) and now it is a profit making concern. Out of various strategic efforts, alignment between employees objectives and organisational objectives is significant. The cost reduction objective of the organisation was achieved through the productivity while maintaining the high salary of workers. At the initial stage a voluntary retirement scheme was introduced then long process of counselling and attitude building was carried out and HR Policies implemented strictly. The highlight of the changes in MFL are as follows:

- With the increase in productivity, monthly overtime bill has come down from Rs. 3.5 lakh to Rs. 1.5 lakh.
- Latecomers or those missing during office hours have to give explanation or to take a pay out.
- Leave applications now need four signatures instead of 13.
- Office vehicles are no longer available for personal work and peons need not to fetch boss's tiffin.
- Against job overlaps and diffused responsibilities, there is now role clarity.

A senior manager of HLL commented that it is not the first time when we have turned around a sick unit into a profit making concern. In the past HLL has taken over two private sick organisations. One is the Bangalore based Union Home Products and the other is Rajpura based Stepan Chemicals. The HLL has turned these companies profitable. But the case of Modern Food Ltd. is different. For the first time a private company took over a public sector organisation, which come with a loss of Rs. 48.23 crore, more than 2000 excess employees costing Rs. 50 crore per annum, and with low productivity of workers as a main factor of sickness. The HLL's strategic efforts made possible to cope with the problems of MFL. The best effort of HLL was a simple principle - go through the rule book. Rules were well framed but implementation was missing. The rules that were followed by employees earlier were only those which benefit the employees. The organisational interest at large was ignored. That is why the organisational objectives could not be achieved and the company was a loss making concern. A team from HLL, after take over, conducted the counselling sessions to help employees prepare for the change. Employees were given training and counselling to help them understand and cope with the transitions. More specifically, all senior level managers were counselled separately on the consequences of not attending the rules. The managers were not only made responsible for themselves but also for their subordinates. In short, it may be construed that an alignment between organisational objectives and employees objectives was established. The results of this alignment are clear and visible from the above discussions.

Figure A4**(Alignment between Organisation Objectives and Employees Objectives)**

From the case of HLL - MFL together with all other observations of the present investigator, some points emerge that are essential for an alignment between organisational objectives and employees objectives. Figure A4 explains more clearly the essential aspects of the alignment between organisational objectives and employees objectives.

The first and foremost objective of any business organisation is that of its survival and growth. The corporate philosophy and mission may be different for the different organisations. What is common to all - achievement of those objectives

that relate to its philosophy and mission. An organisation exists in the environment. It has a rational/purpose behind its existence which is also known as the main aim of the organisation. The Bata India Ltd. exists with the aim of manufacturing the durable foot wear. The I I S Infotech has the aim of offering project services, product development, and software consultancy on a variety of computer systems to a largely international clientele. Mahindra and Mahindra is known for commercial vehicle, while Hindustan Lever Ltd. is a leading organisation in the field of fast moving consumer goods and Johnson & Johnson is famous for baby care. The competitive environment compels organisation to take necessary steps for the achievement of its main objective to ensure the survival and growth of the organisation out of many steps and measures, the productivity of workers and performance excellence is most important. Good performance by the employees create a culture of excellence which benefit the organisation in the long run. If the organisation is able to manage the productivity and excellent performance, it grows at a faster pace and can hold a good market share. Either it is a production department, marketing, HR, or finance department. Good performance is required at all levels in all the areas. How it can be managed unless the organisation integrate the employees aspirations and objectives with the objectives of the organisation. Employees may have the aspiration of growth and development, reasonable earning, Job security, recognition, good working conditions, and autonomy, etc. Efforts should be made to have an alignment between these objectives of employees and that of the organisation. This alignment needs a well designed system which is described as below.

Consolidating the Existing Strengths :

Each organisation has its own strength. To achieve its main objective, an organisation requires to find out what HR strengths exist. Effective utilisation of existing strength make easier the attainment of the organisational objectives. The organisation requires not only to use effectively its strengths but also consolidate

and strengthen them. In many cases, people may not be aware of their strengths, or may not use them properly. The HR department has to consolidate and strengthen the capabilities of operating as well as executive levels to undertake function. Since people working at operating level are responsible to the line people, the effectiveness of operating level managers need to be properly supported.

Training and Development:

The training and development function of the organisation relates both, the organisational objectives as well as employees objectives. At the one end the organisation can achieve a high level of productivity and performance excellence, where as on the other side the employees may have a feeling of developing themselves while working for the organisation. Effective training and development programmes can be designed after the right assessment of the need for training. If the required talents are available, employees are utilising their capability up to full extent, and they are strong enough to face any challenge, even then a training programme can effectively be managed just to give a feeling of change and to make them feel that they are being taken care of. An effective training and development programme must include: role analysis; developing the person in the role; developing the role for the person; and matching the role and the person. In the process of matching the role and the person, the organisation search the most appropriate path of advancement for each capable person. In the succession planning the higher responsibility needs may be matched with available competence. By this means employees may have a sense of job security and career advancement.

Performance Appraisal and Counselling:

Performance appraisal, potential appraisal, and the counselling system are some useful ways to promote employee development and organisational effectiveness.

A good appraisal and counselling system can be an effective instrument for helping people grow and develop in organisational setting. It could be used as a mechanism of continuing education and learning from one another. Through a well organised appraisal system an employee can create learning space for himself in an organisation. A development oriented appraisal and counselling system, when effectively practised, substantially contributes to the organisation health and facilitates multiplication of managerial resources. It serves a dual purpose - attainment of organisational objectives as well as employees objectives. The performance appraisal system cannot be separated from the counselling system. A good performance appraisal system focuses on identifying the factors that help or hinder good performance. These facilitating and inhibiting factors may be either within or outside the control of the appraisee. The performance appraisal system gives scope for the appraisee to identify these factors. The appraiser's role may be to help him identify many more of these factors, understand their respective roles in strengthening the facilitating factors and weakening the inhibiting factors, and workout action plans to that effect. In this process, the appraiser helps appraisee to understand his difficulties by means of counselling. The counselling system of the organisation also helps in grievance handling and problem solving. The troublesome situation can arise at any time and due to any reason. Some of the causes are, fear or threat, worries, anxiety, hostility, etc. All these are the mental processes created in the minds of people affecting their performance. Sincere efforts should be made to remove the real causes of problem from the mind of employees, and to restore confidence among them to bring them back on the track. Managers can very well render the counselling service. If the managers cannot provide this service, the organisation can hire outside experts. No one is born with a problem. Problems are created. Most of them are Psychological. The counsellor should find out the root cause and try to remove it.

Role structure:

The role structure of an employee includes authority and responsibilities, job analysis, job description, job specification, job evaluation, job design and redesign. An effective structure of role for an employee can be created through the process of job analysis. The job analysis is an analytical process from which a tangible result in the form of job description and job specification can be developed. These two outcomes i.e. job description and job specification determine the authority and responsibilities for particular job and the qualifications, skills, knowledge, potentials required to perform the job. The third tangible outcome of job analysis is the job evaluation. The information provided by the job analysis serves the purpose of job evaluation. It determines the relative worth of job for fixing compensation. The job design is also an important part of the structure of the role of a person that he performs in the organisation. The job design play an important role in improving quality of work life. It is affected by many factors such as external environment, organisational structure. State of technology, etc. Job design must be consistent with the organisation strategy. It should fulfill some aspects of organisational effectiveness such as job rotation i.e. rotating from one to another job in the organisation, job enlargement i.e. facilitating additions of more tasks to the job, job enrichment i.e. coping with more responsibilities, building of working groups that can work independently and in association with other groups within the organisation to achieve objectives.

Salary and Incentives:

A reasonable salary and incentive and other benefits are the main objectives of the employees which also help organisation in a number of ways. The suitable rewards and benefit system increase the morale of the employees and ultimately improve their performance. Non financial rewards such as recognition of the work performance, praise, the privileges and rights also play dominant role in improving performance. Such recognition of an employee in public comes

through awarding trophies, certificate of appreciation, cash reward for his achievement etc. There are some other non-monetary rewards in rogue such as giving employees a treat in the form of lunch with managing director, birthday present, arranging picnics, greeting on the eve of festivals and new year, providing good and well furnished office, giving more responsibilities, etc. The salary and other incentives, financial and non-financial, should be related to job evaluation as well as performance appraisal. Equitable salary is an essential condition in the organisations for employees motivation. Criteria should be worked out for giving normal and above as well as below normal increments. While the salary structure is based on job analysis and job evaluation, the increments should be linked with performance appraisal.

Creating Necessary Culture and Values:

The HR system of the organisation requires to create a value system leading to a culture which promotes a healthy development of people and enhances the capability of the organisation to be effective, and raising the level of organisation health. The culture must have characteristics such as minimum level of trust among people working in the organisation, openness to discuss issues and deal with problems, mutuality in the sense of establishing relationships according to roles and respect for one another. Enough attention should be paid to the process of humanizing in the organisation, treating people with respect, and taking steps to make work a source of development and growth for people rather than being treated merely as an activity for which they are paid.

Coping with Collective Power:

To establish an alignment between employees objectives and organisational objectives, it is essential to cope with the collective power in the organisation. Instead of industrial relations being confined to fire-fighting, it should take more proactive stand in dealing with the problems of collective power which the

employees are increasingly acquiring. Industrial relations should aim at multiplying the power of various kinds at different levels in the organisations.

Workers Participation:

Workers' participation in management is a good instrument to link the organisational objectives with the employees objectives. Although the workers' participation has been promoted by the Government of India as a policy, effective participation is lacking in most of the companies. According to the HR manager of Mahindra and Mahindra Ltd., there are so many complications in adopting the participative approach. However, workers' participation on the shop floor and upper level is important and has significant implications.

d. Need for Greater People Orientation

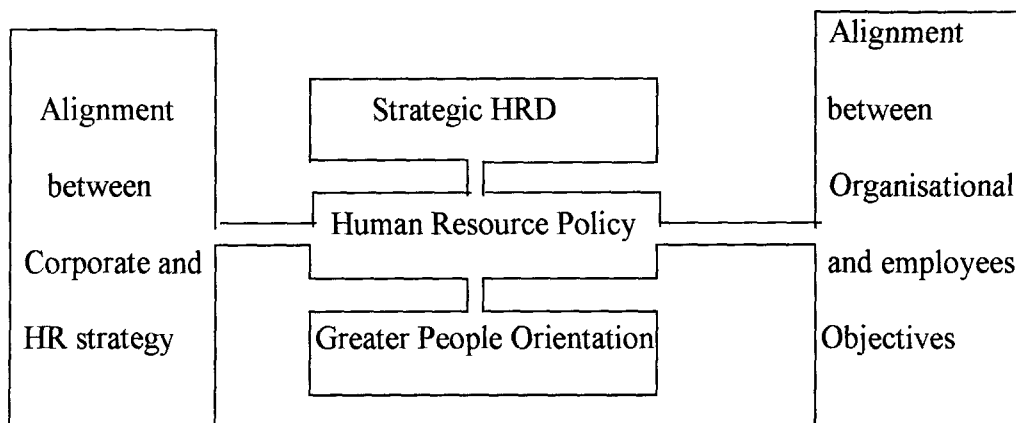
The organisation has the responsibility to develop its human resources if it wants to remain in business, face the competition, and march towards prosperity and growth. Successful management depends not solely but significantly upon the ability to predict and control human behaviour. Among other things, if a company is economically successful, it means, the management has been able to manage human resources effectively. When individuals come to work place, they come with not only technical skills, knowledge, etc., but also with their personal feelings, perceptions, desires, motives, attitudes, and values. These Psychographics of the individuals usually dominate upon their knowledge and skills. If the knowledge and skills of the employees are to be properly utilized, their needs and motives are to be taken care of a positive attitude towards work should be built up and a favourable structure of value system should be created. Modern business has been undergoing changes at a fast rate due to changes in technology, lubrication of economy, etc. The organisation requires to retain knowledgeable employees to have competitive advantage over the competitors. If a company compete a market on the strength of its products, it has to use people

as the source for winning concepts. In fact, product improvements are generated by people, creative and innovative products and services can be developed and modified only through intensive and planned human efforts. Like the product development, intensive human efforts are also required in other functional areas of management. These human efforts can best be directed in the desired direction by having satisfied employees. If the HR policies of the organisation are more people oriented, the human asset of the organisations is likely to be more satisfied and more committed to the job. Thus there is a need for greater people orientation.

All the respondents, except the HR manager of Mohan Meakins, expressed a high level consent with the above view on the importance rating scale they assigned 10 out of 10 marks. The HR manager of Mohan Meakins gave 6 out of 10 marks. It shows that he feels the importance of this factor but not as much as others. On the strength of the findings for issues related with human resource policy a composite model of HR policy can be drawn which is presented in figure A5.

Figure A5

(Issues Related to Human Resource Policy)



From the findings of the present investigation it may be concluded that human resource policy of the organisation must incorporate the above discussed four major issues. As shown in the figure A5 that human resource policy of the organisation should include a proper strategic approach toward human resource development. The human resource policy is required to be people oriented. While designing the HR policy, care should be taken to make an alignment between organisational objectives and employees objectives. Since the organisation's strategic decisions have an impact on human resources, there should also be an alignment between corporate and HR strategy.

Factor B (F2): Issues Related to the Revision and Measurement of Job Descriptions

The job description is a record of facts about the activities of the job holder, how and why it is performed. It is a by product of job analysis process. The job descriptions reveal organisational relationship, responsibilities and specific duties that constitute a given job. It highlights the scope of responsibility and contriving work assignment that are sufficiently different from those of other jobs to warrant a specific title.

The job description not only reveals what, how, and why a job is to be done, but also describe the job title, duties and responsibilities to be performed and authority assigned and the distinct features of the job. It describes every aspect of the job. A good job description possesses up to date information. If amendments in duties and responsibilities are made then they are included in the job description. The job title, extent of the job, limitations and functions are also described in simple and understandable language. In short, the job description contains following information.

Job title: A suitable title to the job is given that suggests the nature of the job required skills and other distinctive features of the job. For example accounts clerk, record keeper, lathe machine operator, computer programmer, system analyst etc.

Functions: The functions of the jobs are clearly and precisely stated. For example account clerk's functions include maintaining accounts books, ledgers etc.

Duties and responsibilities: The duties and responsibilities of the job holder are classified into primary and secondary and the time taken for performance of the job should be mentioned.

Nature of supervision: The degree of supervision needed should be prescribed. Reporting authority should be mentioned. Certain jobs require close supervision while the jobs at higher level require less supervision. Some managerial jobs require no supervision but others do require. It should be clearly mentioned.

Place of job: Place means the place where job is to be performed by the job holder i.e., the department, section, shop or office etc.

Tools, implements, machines: The performance of certain jobs requires tools and implements, some require machine eg. lathe machine, computer etc. All these details are to be included in the job description. This will disclose the nature of the job and the complications involved in it which enable for planning training programme.

Environment at workplace: The environment at workplace, the related hazard, possibility of accidents are to be mentioned so that it will help in evaluating the job.

Future prospects: Anyone who is working on any job wants to be promoted after some period of time. It is, therefore, pertinent for the job analyst to mention the relationship, vertical and horizontal both of the job. It will make the jobholder aware of his future growth by way of promotion.

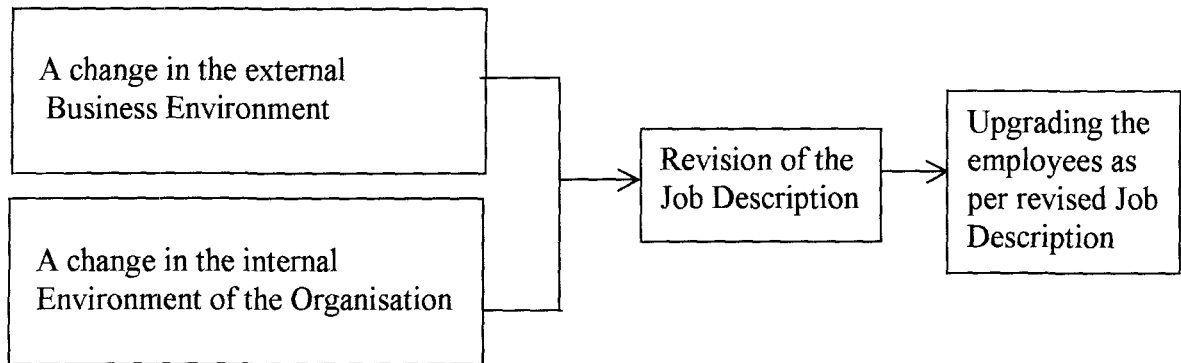
Job description is an important document which determines wages and salary and the future promotional avenues of the employees working in an organisation, hence it should be flexible, and described in such a manner that it should cover complete information in respect of the job in clear and understandable language.

The above discussed facts together with all other observations and data obtained in the present investigation reveals the importance of job description in human resource management. That is why the issues related with it are also important and have significant implications. There are two major issues related to job descriptions: (a) continuous revision and assessment of job description & (b) Upgrading employees as per the revised job description.

Keeping in view the importance of these issues, the mean rating score of both the above issues was assumed 9.3, on the basis of the opinion of some experts. The calculated mean for these issues was found 9.6 which (i.e. table 2) is significantly higher than the assumed mean. It shows that both the issues are significant while managing the human resource for productivity. Issue wise rating of factor B on importance rating scale is also high. For continuous revision and assessment of job description, four organisations namely Mahindra and Mahindra, IIS Infotech, BHEL, and Mohan Meakins assigned 10 out of 10 marks. In their opinion, there is no place for compromise with the revision and assessment of job description. Two organisations-Johnson & Johnson, and Hindustan levers Ltd. assigned 9.5 out of 10 marks. Three organisations Bata India Ltd., BOC, and

NTPC assigned 9 out of 10 marks and only one organisation, Essar Steels assigned 8 out of 10 marks on the importance rating scale. This pattern of data reveals that revisions and assessment of job description is important in the eyes of all organisations but the degree of importance is different for different organisations. In other words we can say that revision and assessment of job description depends upon the nature of the activities in the organisation. As discussed earlier that a good job description possesses up to date information regarding the duties, responsibilities, and authority of job holder and knowledge and skills required to perform the job. It simply suggests that there may be certain changes in the job description from time to time depending upon the situation. That is why continuous revision and assessment is essential.

The second issue related with factor B is upgrading employees as per the revised job description. For this issue seven organisations namely Mahindra & Mahindra, IIS Infotech, Essar Steels, Bata India Ltd., BHEL, Mohan Meakins, and NTPC assigned 10 out of 10 marks on importance rating scale. Two organisations Johnson & Johnson, and Hindustan Levers assigned 9.5 out of 10 marks and only one organisation BOC assigned 9 out of 10 marks for the importance of upgrading the employees according to the revised job description. If the revised job description indicates a change in the duties and responsibilities and authority of job holder and a change in the knowledge in skills required to perform a job, then it is essential to upgrade the employees according to the revised job description. Otherwise it will demotivate them.

Figure B1**Issues Related to Revision and Measurement of job Description**

As shown in figure B1 that a change in the external business environment and /or a change in the internal environment of the organisation usually force for the revision of job description. The external change may include a change in: legislation, competitors' activities, consumers, expectations and needs, etc. The internal changes may include a change in : employees expectations, corporate strategy, HR strategy, technological changes, etc. If the job description has been revised then it is essential to upgrade employees as per the revised job description.

Factor C (F3): Issues Related to Human Resource Methods and Systems

Human resource method and system is a dynamic concept. The success of HR department depends upon the methods and systems adapted for HR management. The importance of this factor was found beyond the expectation of the investigator. The assumed mean for the importance rating of this factor was 9.0. After obtaining the rating score, the calculated mean for importance rating score was for importance rating score was found 9.3. To determine the significance of difference between these two means a (t) test was employed. The calculated t-

value was 2.714 while the table value is 2.26 at .05 level of significance. Since the calculated t-value is higher than the table value, it may safely be concluded that the calculated mean (9.3) is significantly higher than the assumed mean (9.0). It shows that the importance of issues related to human resource method and system is higher than the expectations of the investigator.

The human resource system has the multiple functions. It deals not only with the problems of administrating the personnel functions, but also helps the organisation in several other ways. Its various functions can be classified in five major categories: (i) Providing support to other systems (ii) Development of systems and research (iii) Management of human resources (iv) Developing competency of various kinds (v) catering to the process need.

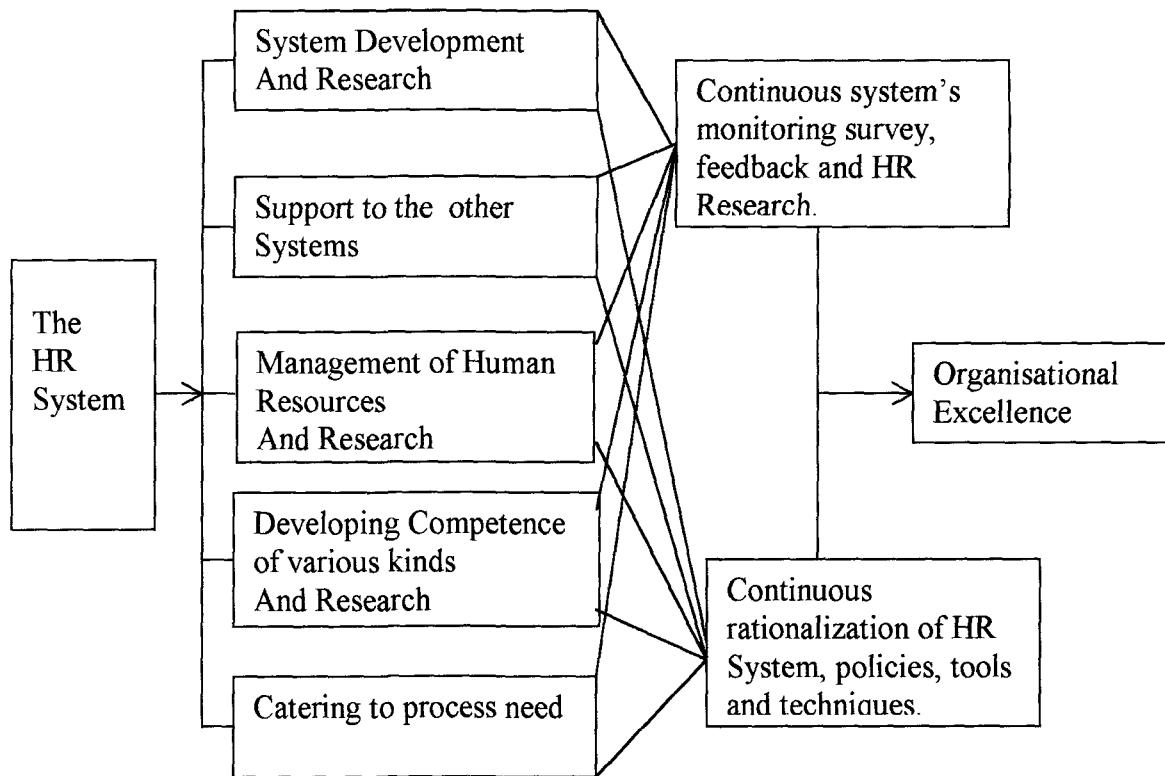
These functions of the HR system raises two fundamental issues: (a) continuous system monitoring survey, feedback and HR research (b) continuous rationalisation and designing of HR system, policies, tools and techniques.

Since the functions of HR system are many, its monitoring is of vital importance. As this system provides support to other system of the organisation and develop competency of various kinds, its monitoring through feedback and HR research goes always in favour of organisational excellence. For the importance of system's monitoring survey, feedback and HR research, five organisations namely Mahindra & Mahindra, IIS Infotech, BOC, BHEL, and NTPC assigned 10 marks out of 10 on importance rating scale. Four organisations namely ESSAR Steels, Bata India Ltd., Mohan Meakins, and Hindustan Levers Ltd. assigned 9 marks out of 10 while only one organization Johnson and Johnson assigned 8 marks out of 10. The overall importance of this issue may be considered at high level. This implies, what so ever the HR system and method is prevailing in the organisation, & its monitoring to control the system is essential.

The HR system is a dynamic concept. It is likely to change with the change in situation. A change in situation may arise due to internal as well as external factors. The system's monitoring survey, feedback, and HR research provide useful information regarding the change in the situation. If the situation forces to rationalize the HR system, policies, tools and techniques, the organisation will have to do so. For the importance of rationalisation of HR system, four organisations namely Mahindra & Mahindra, ESSAR steels, Johnson & Johnson, and Hindustan Levers Ltd. assigned 10 marks out of 10 on importance rating scale. Four organisations namely IIS Infotech, Bata India Ltd., BHEL, and Mohan Meakins assigned 9 mark out of 10 and two organisations BOC and NTPC assigned 8 marks out of 10 on importance rating scale. The overall importance of this issue is also at high level in opinion of the senior HR managers of the organisations. If an organisation wants to achieve organisational excellence to compete in the market, it will have to rationalize and design its HR system, policies, tools and techniques. The issues related to the human resource methods and systems are diagrammatically presented in figure C1.

Figure C1

Issues Related to Human Ressource Methods and Systems



As discussed earlier every HR system has five major sub-systems. The major concern of the HR system is to manage the human resources in an effective manner. It includes planning for future manpower needs, getting the best people available, utilising people selected, retaining, motivating and integrating people, assessing people for their contribution and planning growth of people. Beside managing the human resources, the HR system is also responsible for developing various systems which deal with people, their problems, organisational dynamics and various related matters. This subsystem is called the "System Development

and Research". Another subsystem of the HR system is the support to the other systems. In its supportive role, the HR system deals with strengthening people from operating level to executive level and consolidating the existing strength in the organisations. Developing competency of various kinds is also an important function of the HR system. It includes the development of technical competence, Managerial competence, process competence to deal with various problems of day - to - day life in the organisation, helping competence to enable managers to provide necessary help to their subordinates, and coping competence to deal with those problems which are beyond the control of employees. 'catering to process need' function of the HR system deals with organisational health, which is all about developing capability in the organisation to cope with several important dimensions, such as growth and expansion of the organisation, impact of out side forces, adapting itself to the changes occurring in the environment and coping with them effectively, and taking necessary steps for making a continuous impact on the environment. The HR system composed of the above discussed functions is crucial and important to every organisation. It requires continuous system of monitoring survey, feedback, and HR research. The information obtained by this means enables organisation rationalise the HR system, policies, tools and techniques leading to organisational excellence.

Factor D (F4): Issues Related to Retrenchment and Redeployment of Workers

For the importance of issues related to retrenchment and redeployment of workers, the calculated mean, after obtaining the rating score, was found 9.2. The assumed mean for this factor was 9.0. Though the calculated mean was higher than the assumed mean, the difference between these two means was statistically insignificant (c.f. table -2). The assumptions regarding retrenchment and redeployment of workers are in conformation of the observed facts.

Sometime situation occurs in the organisation that the existing number of employees exceed from the required number of employees. Of course the human asset is the most valuable input to the organisation. Retaining the talents in the organisation now-a-days is a challenging job for the managers. If management fails to retain required talents, the survival of the organisation becomes difficult. Retaining employees does not mean surplus manpower. Too much of manpower is also a threat for the survival of the organisation. The cost of human resource which a company pay unnecessary is a major cause of loss. The employees may be in surplus either due to miscalculation in human resource planning or due to decline in the operations of the organisation. Some time skills do not match with the jobs to be performed. Such type of problems raise the issue like retrenchment and redeployment of retrenched workers.

Retrenchment :- To overcome the problem of overstaffing, retrenchment is one of the possible solution. Under such circumstances, the low skilled workers are to be retrenched. But in practice retrenchment is not an easy job. The loss of job is a severe jolt to the workers' family. If retrenchment is undertaken, the union takes up seriously and fight for grave injustice. This is a solid reason for industrial dispute resulting in to lock out, strike, or court proceeding to avoid such situation it is essential to minimize the retrenchment of low skilled workers. For the

importance of this issue, seven organisations namely Mahindra & Mahindra, IIS Infotech, ESSAR Steel, Bata India Ltd., BHEL, Hindustan Levers Ltd., and NTPC assigned 10 marks out of 10 on importance rating scale. Johnson & Johnson assigned 7.5 marks, Mohan Meakins assigned 6.5 marks and BOC assigned 5 marks for the importance of minimizing the retrenchment of low skilled worker. The trend of rating score suggests that retrenchment practice does not favour the organisation. Some senior HR managers of different organisations expressed their view that the management must be careful at the time of recruitment to avoid the after effects of retrenchment. Through the proper selection strategies, right persons should be selected at right time for the specified position. If the skills and knowledge of workers (either old or new entrants) do not match with the job requirement, a proper strategic approach of HRD should be adapted. If employees are in surplus, the burden of overstaffing may be reduced by means voluntary early retirement, reduction in normal hours of work, phased deployment of labour on rotational basis, etc. What will be the better way it depends upon situation.

Redeployment of Retrenched Workers:- If on the issue of retrenchment, the workers, union have taken serious action then to avoid the grim situation the management can redeploy the retrenched workers. The retrenched employees may be redeployed by opening new units or in the other departments of the some organisation. For the importance of redeployment of retrenched workers, eight organisations namely Mahindra & Mahindra, IIS Infotech, ESSAR Steels, Bata India Ltd., BOC, BHEL, Hindustan Levers Ltd., and NTPC assigned 10 marks out of 10 and two organisations - Johnson & Johnson, and Mohan Meakins assigned 7.5 marks out of 10 on importance rating scale.

Factor E (F 5): Issues Related to the Selection, Training, Development and Retention of Employees.

Issues related to the selection, training, development, and retention of employees are important to every organisation and have far reaching consequences. The assumed mean for this factor was 8.5 and the calculated mean after obtaining the rating score for various issues related to this factor was 8.8. Though the calculated mean was above than the assumed mean, the difference between these two means was not found statistically significant. It shows that assumptions regarding issues related to the selection, training, development and retention of employees were correct and in consonance of the observed facts from the various organisations.

Selecting right people for job and placing them in right position play an important role in determining whether they are giving their best to the organisation selection strategies play an extremely important role in new organisations and in those that are fast expanding. Through proper selection of new entrants it is possible to build a desirable culture and desirable norms in the organisation.

A proper system of selection placement helps to achieve the following :

- (i) A feeling of satisfaction among the employees that their capabilities are being-properly utilised by the organisation and that they are not wasting their talents. This feeling is likely to raise the morale among employees and may result in higher levels of commitment and productivity.
- (ii) Supplying the right type of people to the needy departments or units within an organisation in a short period of time. Such prompt action is likely to keep up the morale of the departments at high level as the needs are being attended to more promptly.

- (iii) Minimising the wastage of human talent, through providing opportunities for people to apply their capabilities.
- (iv) High level of employee-commitment and by providing them opportunities to work on jobs that they like and are capable of performing.

One wrong person selected for a given job or one wrong placement can cause a host of problems in an organisation. The criticality of selection and placement increases as one goes up the managerial hierarchy. A wrong person selected to handle a higher managerial position can block the functioning of other departments and managers. If he is not fit to handle the responsibilities given to him, he may become a drag on the organisation and a source of frustration for others working with him, and once a feeling of frustration sets in, it is likely to cause problems later. An organisation should, therefore, ensure that suitable people are recruited even if it involves some investment.

After having selected the right person there is a need for training and development. Training is essential for the new entrants as well as for the old employees. The technology is developing at a fast rate. System and practice get outdated soon due to new discoveries in technology, including technical, managerial, and behavioural aspects. Developing individuals in the organisation contributes to the effectiveness of the organisation. A good training system ensures that employees develop in direction congruent with their career plan. Training refers to the instructions provided to increase the knowledge and skills for the current job. While the development has the broader scope and aims at developing an individual in all respects. Training aims at achieving immediate gains for the organisation while development aims at achieving long term needs of the organisation. Organisations take up executive development programmes to enhance the capabilities, potential and creative instincts of managers enabling

them to be more effective in performing various managerial functions to achieve the organisational goals. The main focus of the training and development should be developing the person in the role that he has to play in the organisation. After developing the person in the role in a right manner, there is a need to retain the competent person so that organisational effectiveness can be maintained.

From the above discussion and from the observations of present investigator three main issues emerged that are related to selection, training, development, and retention of employees, which contribute to the organisational effectiveness. These issues are : (a) Adaptability of managers in a dynamic and flat work system. (b) Attracting and retaining knowledge workers (c) Emphasis on multi-skilling and ability to work in multi-cultural setting. Adaptability of managers in a dynamic and flat work system was too much highly rated by four organisations namely Johnson & Johnson, BHEL, Hindustan Levers, and NTPC. They assigned 10 marks out of 10 on importance rating scale. Other four organisations namely IIS Infotech, Essar Steel, Bata India Ltd., and Mohan Meakins also rated high. They assigned 7.5 out of 10 marks. Rest two organisations namely Mahindra and Mahindra and BOC assigned 7 marks out of 10 to the importance of above issue. The overall importance rating for this issue can be considered at high level. It suggests that training and development programmes should be designed to develop a person in his role in such a way that they can be adaptive to a dynamic and flat work system.

Attracting and retaining knowledge workers was also highly rated for its importance. Six organisations namely Mahindra & Mahindra, Johnson & Johnson, BOC, BHEL, Hindustan Levers Ltd., and NTPC assigned 10 marks out of 10 while four organisations namely IIS Infotech, Essar Steel, Bata India Ltd., and Mahindra Meakins assigned 7.5 marks out of 10 on importance rating scale. The overall rating for this issue was found to be at high level. It indicates that the

development programmes of the organisation should aim at retaining the knowledge workers. If development programmes do not serve this purpose, there will be high employee turnover. One can hardly deny with the fact that talented and knowledge worker can easily quit the organisation because he can get other job easily as compared to less talented person. If the development programmes of the organisation are not attractive and strong enough to retain the employees, the talented worker will quit first and there will be a threat for the survival of the organisation.

Emphasis on multiskilling and ability to work in multi-cultural settings also obtained high rating score. Six organisations namely Mahindra & Mahindra, Johnson Johnson, BOC, BHEL, Hindustan Levers Ltd., and NTPC assigned 10 marks out 10 while four organisations namely IIS Infotech, Essar Steels, Bata India Ltd., and Mohan Meakins assigned 7.5 out of 10 marks on importance rating scale. The overall rating for this issue was found to be high. It further suggests that training and development programmes should aim at multi-skilling and should focus to develop ability in multi-cultural setting issues related to factor E are explained with the help of a model in figure E1.

Figure E1

Issues Related to the Selection, Training, Development, and Retention of Employees.

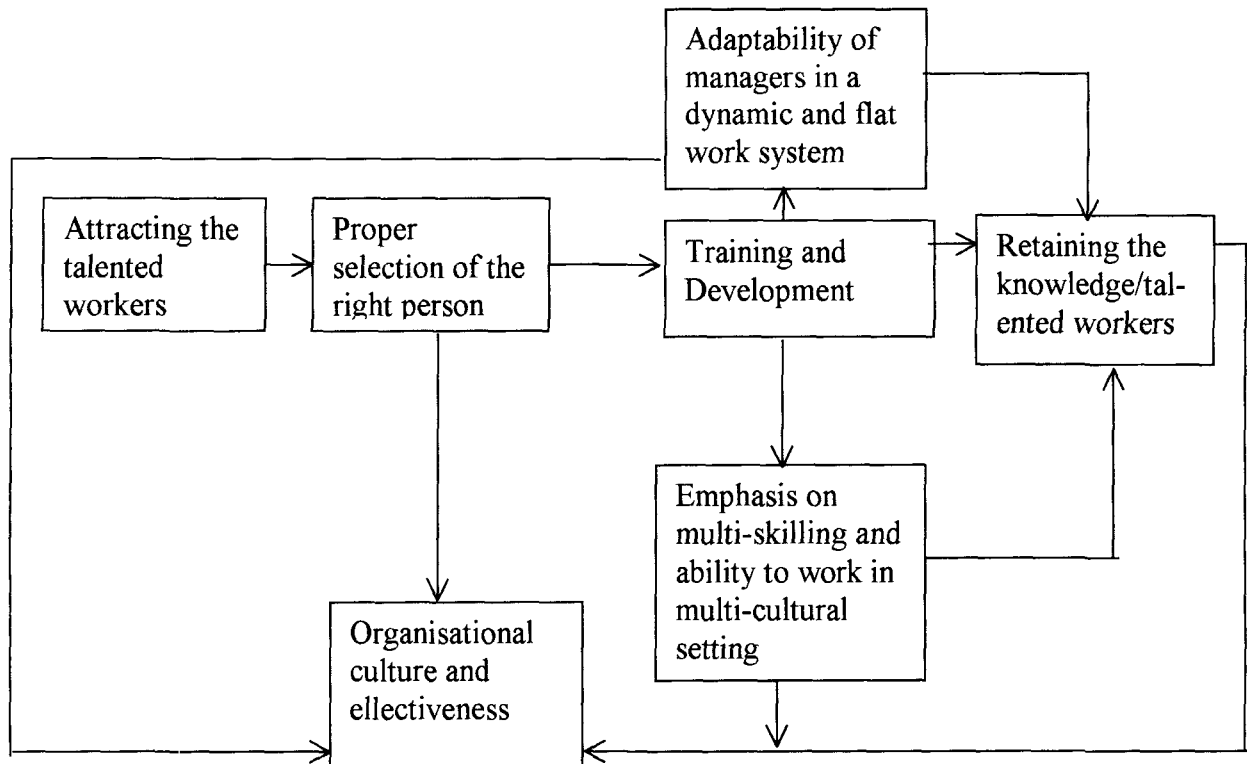


Figure E1 elucidates that the organisation first of all attract the talented workers and then there should be a proper selection process to select right person for right place. These persons should undergo a well designed training and development programme. The training and development programmes of the organisation must aim at developing adaptability of managers in a dynamic and flat work system including emphasis on multi-skilling and ability to work in multi-cultural setting. If the training and development programmes of the organisation can make managers adaptive to dynamic and flat work system and can develop ability to work in multi-cultural setting then retaining of the workers will not be a difficult task. All these things will develop a good work culture in the organisation and will enhance the organisational effectiveness.

Factor F (F6): Issues Related to Employees Morale and Organisational Climate Setting

For the importance of issues related to employees morale and organisational climate setting the calculated mean, after obtaining the rating score, was found 8.0. The assumed mean for this factor was 7.8. Though the calculated mean was higher than the assumed mean, the difference between these two means was not found statistically significant. (e.f. table 2). The assumptions regarding the issues related to employees morale and organisational climate are quite in consonance with the observed facts from the various organisations.

The employees, morale is a state of mind of the employees to work hard willingly and enthusiastically for the achievement of organisational goals. It is an emotional force that encourage employees for a purposive interaction with their co-workers which establish a distinguished work culture affecting the overall organisational performance. A high morale of employees can be seen in the form of job satisfaction, the attitude of employees towards work and towards their superiors, feeling of responsibility for their duties, their reaction to the formal communication, etc. It is the employees, morale that determine the organisational climate. The organisational climate is an overall feeling that is conveyed by the physical layout, the way participants interact, and the way members of organisation conduct themselves with customers and other outsiders. Needless to say that employees morale and organisational climate is a major contributory factor the productivity in terms of efficiency and effectiveness leading to organisational excellence. A high morale of employees results in to a good organisational climate in which worker may be empowered by means of delegating authority for further morale boosting and an environment of organisational learning can be created to develop competency among workers. In this way three major issues emerge that are related to employees, morale and organisational climate setting. These are : (a) Boosting of employees, morale (b)

Building organisational learning environment and (c) Issue of workers, empowerment and delegations.

(a) Morale boosting of employees: is essential for every organisation to utilize employees, talents up to a maximum possible extent. On the importance rating scale, three organisations namely Mohan Meakins, Hindustan legers Ltd. and NTPC assigned 10 marks out of 10. One organisation BHEL assigned 9 marks out of 10 and six organisations namely Mahindra & Mahindra, IIS Infotech, ESAR Steels, Johnson & Johnson, Bata India Ltd., and BOC assigned 7.5 mark out of 10 for morale boosting of employees. According to the opinion of senior HR managers of the above organisations, there are various ways of boosting the morale of employees. Some of them are important and common in practice. These are pay and other financial and non-financial incentives; welfare activities of the organisation; leadership style; and working conditions, etc. Since morale is an emotional force that encourages employees for better performance, the leadership has important bearing with it. Poor leadership can demoralise employees even after high pay and incentives, good welfare programmes, and congenial working conditions. The learning environment of the organisation and workers, empowerment and delegation are also related with and delegation are also related with employees, morale.

(b) Building Organisational Learning Environment: A good learning environment of the organisation is always helpful to improve the performance of workers. It is the work culture of the organisation that create the learnign environment. For the importance of building organisational learning environment, two organisations- Hindustan Levers Ltd. and NTPC assigned 10 markd on importance rating scale. Other two organisations BOC and BHEL assigned 9 marks out of 10, five organisations namely Mahindra and Mahindra, IIS Infotech, ESSAR steel, Hohnson & Johnson, and Bata India Lts. assigned 7.5 marks aout

10, and one organisation Mohan Meakins assigned 7 marks out 10 for the importance of organisational environment. As per the opinion of respondents, it is the urge to learn among the workers a closely related factor to their morale which creates a good learning environment leading to better performance. In fact, achievement of organisational goals becomes easier by means of organisational learning process. Building a learning environment in the organisation is based on certain assumptions. These are: everyone can be a source of useful ideas; people closest to the problem usually have the best ideas regarding how to solve it; learning flows up and down, to managers as well as employees can benefit from it; new ideas are important, and if encouraged and rewarded properly, can expedite learning process; mistakes, if taken seriously, can give some new ways of learning. These are the cultural values of the organisation. These are helpful in improving the performance if there is an urge to learn among workers. The urge to learn can be produced by morale boosting.

(c) Workers' Empowerment and Delegation: For the importance of empowerment and delegation, one organisation Mohan Meakins assign 10 marks out 10, three organisations Mahindra & Mahindra, IIS Infotech, and BHEL assigned 9 mark, one organisation BOC assigned 7.5 marks, two organisations- Hindustan Levers Ltd. and NTPC assigned 7 marks, two organisations Johnson & Johnson and Bata India Ltd. assigned 6 marks and one organisation ESSAR Steel assigned 3 marks on importance rating scale. The overall rating is at higher side. Opinion of respondents reveals the empowerment and delegation play an important role in maintaining employees, morale and in obtaining better performance. Empowerment is the authority to make decisions within one's area of responsibility without first having the approval from someone else. Although empowerment is similar to traditional delegated authority, there are two characteristics that make it unique. One is that employees are encouraged to use their initiative and the second is that empowered employees are given not only the

authority, but also the resources, so they are able to make decisions and have power to get them implemented. Empowerment assumes that employees are willing accept responsibility and improve their daily work processes and relationship. Some of the respondents shared their experiences with investigator and expressed their views that empowerment is useful for the active participation of employees which ultimately improve their performance.

The relationship between employees' morale, organisations' learning environment, empowerment and delegations and other related aspects are diagrammatically presented in figure F1

Figure F1

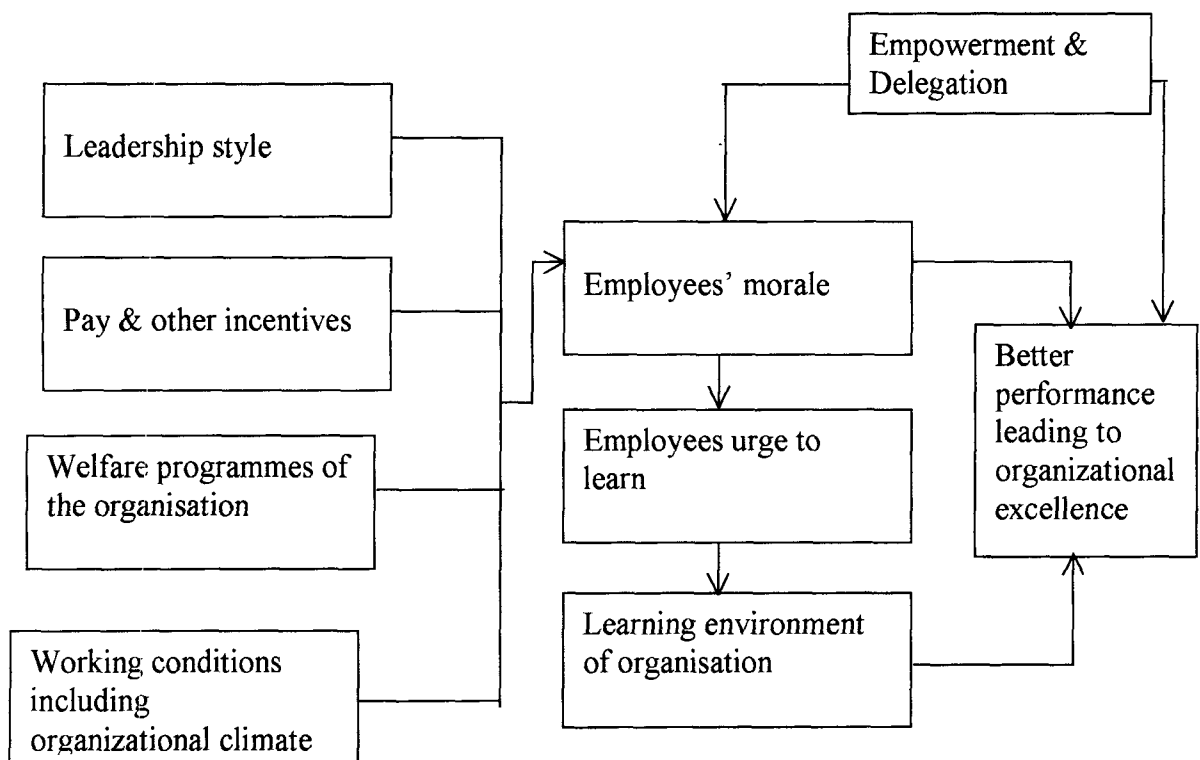


Figure F1 shows that leadership style, pay and other incentives, welfare programmes of the organisations, and working conditions including organisational climate are associated with employees morale. As discussed

earlier, leadership has important bearing on employees, morale. If leadership is not good, pay and other incentives, welfare programmes, and working conditions will remain ineffective. The morale of employees leads to an urge to learn among them which in turn creates a learning environment in the organisation thereby improving the performance of employees. Empowerment and delegation leads to high morale and better performance and employees, morale too results in better performance leading to organisational excellence.

Factor G (F7): Issues Related to Industrial Relations

For the importance of issues related to industrial relations the calculated mean, after obtaining the rating score, was found 7.3. The assumed mean for this factor was 7. Although the calculated mean was higher than the assumed mean, the difference between these two means was not statistically significant (c.f. table 2). The assumptions regarding the issues related to industrial relations are in consonance with the observed facts from the various organisations.

The industrial relations are the relations mainly between workers and management. These relations emphasis on accommodating other party's interest, values, and need. Parties develop skills of adjusting to and cooperating with each other. A good industrial relation system creates certain rules and regulations to maintain harmonious relations. The industry is an association of large number of workers, supervisors, managerial personnel, consultants, and other stakeholders. Industry brings all these people together as a group to do the same work. This association brings group relationship which affects social, economic, political and cultural life. For the betterment of employees and organisations, a healthy environment of industrial relations is essential in the organisations. The HR department requires to ensure healthy industrial relation and to minimise conflicts to overcome some issues that are related to the industrial relations environment of the organisation. These issues are:

(a) Increased Politicisation of Workers' Union :- Now a days there is increased politicization of workers' Union. Political parties give patronage to the workers' Unions for their own interest. Due to lack of leadership qualities and unsound financial position, workers, unions feel comfortable under the patronage of political parties. Such practice usually results in industrial disputes. In the best interest of the organisation, it is important to tackle this issue in an effective manner. For the importance of above matter, three organisations namely Bata India Ltd., Hindustan Levers Ltd., and NTPC assigned 10 mark out of 10 on importance rating scale. One organisation Mahindra & Mahindra assigned 8 marks, five organisations namely IIS Infotech, ESSAR Steel, Johnson & Johnson, BHEL, and Mohan Meakins assigned 7.5 marks and BOC assigned 5 marks on importance rating scale.

(b) Aggravating HR Harmony and Peace :- It is the need of time that organisations are required to maintain HR harmony and Peace to maintain employees' morale and productivity. If the worker Union deverts from the right path, the HR harmony and peace is aggravated. So it is important for the organisations to tackle this matter effectively. For the importance of this matter one organization, Hindustan Levers Ltd. assigned 10 marks out of 10 on importance rating scale. Mahindra and Mahindra assigned 8 marks, ESSAR steel, Bata India Ltd, BHEL, and NTPC assigned 7.5 marks, BOC assigned 7 marks, Johnson & Johnson and Mohan Meakins assigned 5.5 marks, and IIS Infotech assigned 2.5 marks on importance rating scale.

(c) Powerlessness and Redundancy of Unions :- The modernisation strategy of the organisations can make unions redundant. A feeling of powerlessness among workers' unions and the patronage of political parties may aggravate the HR

harmony. Thus it is essential to tackle the above issue. For the importance of this issue, two organisations BHEL and Hindustan Levers Ltd. assigned 10 marks out of 10 on importance rating scale. Mahindra & Mahindra assigned 8 marks, Johnson & Johnson, Bata India Ltd., and Mohan Meakins assigned 7.5 marks, NTPC assigned 7 marks, ESSAR steels assigned 5.5 marks, BOC assigned 3 marks and IIS Infotech assigned 2.5 marks on importance rating scale.

(d) Changing Power equations between Management and Unions :-

Under the modernisation strategy, the power equations between management and Unions are changing which have an important bearing on healthy industrial relation environment of the organisation. For the importance of this issue Hindustan Levers Ltd. assigned 10 marks out of 10 on importance rating scale. Mahindra & Mahindra assigned 8 marks, five organisations namely IIS Infotech, ESSAR Steel, Johnson & Johnson, Mohan Meakins, and NTPC assigned 7.5 marks, BHEL and Bata India Ltd assigned 7 marks, and BOC assigned 5 marks on importance rating scale.

CHAPTER-VII

PROPOSED HR SYSTEMS & STRATEGIES FOR MANAGING HUMAN ISSUES

(Conclusion & Suggestions)

The second objective of the present research was to suggest a suitable HR system to maintain organisational excellence by means of efficiency and effectiveness. To achieve this objective, a conclusion of the findings of present investigation was drawn and most suitable HR system is proposed hereunder.

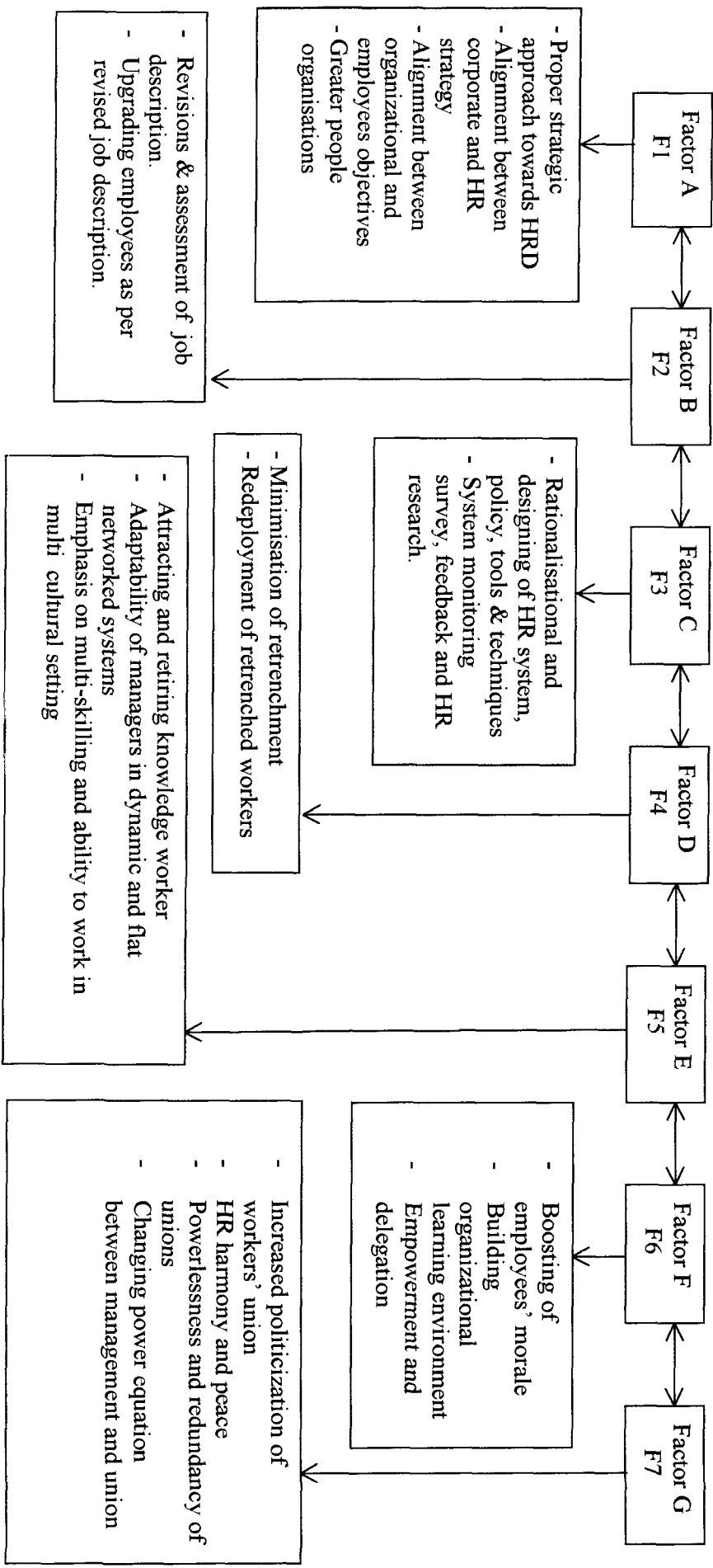
A careful analysis of the facts observed from the present investigation reveals that human resource management is a strategic managerial function of the organisation. Employees of the organisation are not merely economic men but also they are social and psychological men having certain motives and social desires as well as social obligations. They possess knowledge, skills, and creativity etc. It is their skills and talents which make easier the achievement of organisational goals. Thus the management of human resources is the management of employees' knowledge, skills, abilities, talents, aptitude and creativity. An effective management of these human related factors can turnout even a sick unit. The organisational objectives can easily be achieved if the employees' objectives are equally considered. The employees of the organisation are to be treated as a profit centre and thus capital investment is essential on human resource development. This investment requires strategic approach so that the growth and development of employees can be linked with the growth and development of the organisations. Managerial efficiency of coping with collective powers is added advantage for the organisational excellence. The foregoing discussion provide a solid ground to prepare a human resource management system that can ensure the survival and growth of the organisation in general and can deal with those specific matters that arises from time to time. The proposed human resource management system is diagrammatically presented in figure-10.

The suggested model in figure 10 reveals a seven factor approach of effective human resource management. All the factors are inter related with each other and have important bearing on organisational functioning. The factor A (F1) deals with the human resource policy. It emphasize on proper strategic approach for human resource development. The HR policies should be people oriented and must be designed to establish an alignment between corporate and HR strategy and an alignment between organisational and employees' objectives. The factor B (F2) deals with the job description. continuous revision and assessment of job description and upgrading employees as per the revised job description are two main sub-factor of F2.

The factor C (F3) is related with human resource methods and system. Rationalisation and designing & redesigning of HR systems, policy, tools and techniques; and continuous system monitoring, survey, feedback and HR research are main features of this factor. The factor D (F4) pertains to the issues related with retrenchment and redeployment of workers. Its sub-factors includes: (a) Minimizing retrenchment of low skilled work force and (b) Redeployment of retrenched workers. The factor E (F5) deals with selection, training, development, and retention employees, the highlights of F5 are that the organisation must attract and retain knowledge worker. Managers should be trained and developed for the adaptability in dynamic and flat work system. Emphasis should be on multi-skilling and ability to work in multi-cultural setting. The factor F(6) pertains to the employees' morale and organisational climate setting. It deals with the morale boosting of employees and organisational learning environment. It also deals with the issue of workers empowerment and delegation. The factor G (F7) is related with certain issues of industrial relations. It highlights politicization of worker unions and HR harmony and peace. It also emphasizes that the powerlessness and redundancy of unions due to modernization and changing

power equations between management and unions should also be kept in mind while dealing with collective powers of the organization.

Figure-10



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APPENDIX - A

Human Issues related to the Human Resource Policy Scale

APPENDIX – A**Human Issues related to the Human Resource Policy Scale**

Dear Sir/Madam,

This questionnaire is aimed at finding out human issues under modernization strategies in Indian business environment. Although it is basically an academic exercise however, if you wish we would keep your name and your organization's name secret. If you are further interested we shall be glad to send you the final results of this research as well. Thank you.

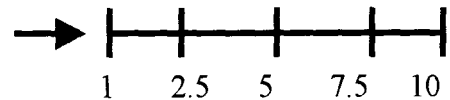
Item 1-Has your organization undergone any modernization process during the last ten years (ex-1990 till date)? Yes/No

(If yes then kindly proceed to answer the following item)

Item 2-In the wake of modernization process as Senior Manager, Human Resources how would you like to rate the following human issues in your organization?

SCALE

(Please rate them in accordance of their order of importance on a 10-Point Scale opposite each item)

**ISSUES**

- | | | | | | |
|--|-----|-----|-----|-----|-----|
| 1. Proper strategic approach towards HRD | --- | --- | --- | --- | --- |
| 2. Alignment between corporate and HR strategy | --- | --- | --- | --- | --- |
| 3. Alignment between organizational and employees objectives | --- | --- | --- | --- | --- |
| 4. Need for greater people orientation | --- | --- | --- | --- | --- |

APPENDIX – B

**Human Issues related to the Revision and Measurement of Job
Description Scale**

APPENDIX – B**Human Issues related to the Revision and Measurement of Job Description Scale**

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This questionnaire is aimed at finding out human issues under modernization strategies in Indian business environment. Although it is basically an academic exercise however, if you wish we would keep your name and your organization's name secret. If you are further interested we shall be glad to send you the final results of this research as well. Thank you.

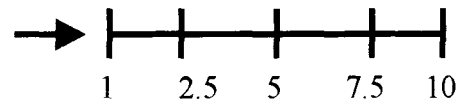
Item 1-Has your organization undergone any modernization process during the last ten years (ex-1990 till date)? Yes/No

(If yes then kindly proceed to answer the following item)

Item 2-In the wake of modernization process as Senior Manager, Human Resources how would you like to rate the following human issues in your organization?

SCALE

(Please rate them in accordance of their order of importance on a 10-Point Scale opposite each item)

**ISSUES**

- | | | | | | |
|---|-----|-----|-----|-----|-----|
| 1. Continuous revision and assessment of job description | --- | --- | --- | --- | --- |
| 2. Upgrading employees as per the revised job description | --- | --- | --- | --- | --- |

APPENDIX – C

**Human Issues related to the Human Resource Methods and
Systems Scale**

APPENDIX – C**Human Issues related to the Human Resource Methods and Systems Scale**

Dear Sir/Madam,

This questionnaire is aimed at finding out human issues under modernization strategies in Indian business environment. Although it is basically an academic exercise however, if you wish we would keep your name and your organization's name secret. If you are further interested we shall be glad to send you the final results of this research as well. Thank you.

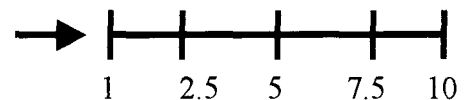
Item 1-Has your organization undergone any modernization process during the last ten years (ex-1990 till date)? Yes/No

(If yes then kindly proceed to answer the following item)

Item 2-In the wake of modernization process as Senior Manager, Human Resources how would you like to rate the following human issues in your organization?

SCALE

(Please rate them in accordance of their order of importance on a 10-Point Scale opposite each item)

**ISSUES**

1. Continuous rationalization and designing of HR

systems, policies tools and techniques

--- --- --- --- ---

2. Continuous system's monitoring, survey, feedback
and HR research

--- --- --- --- ---

APPENDIX – D

**Human Issues related to the Retrenchment and Redeployment of
Workers Scale**

APPENDIX – D**Human Issues related to the Retrenchment and Redeployment of Workers Scale**

Dear Sir/Madam,

This questionnaire is aimed at finding out human issues under modernization strategies in Indian business environment. Although it is basically an academic exercise however, if you wish we would keep your name and your organization's name secret. If you are further interested we shall be glad to send you the final results of this research as well. Thank you.

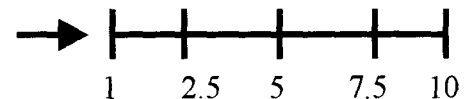
Item 1-Has your organization undergone any modernization process during the last ten years (ex-1990 till date)? Yes/No

(If yes then kindly proceed to answer the following item)

Item 2-In the wake of modernization process as Senior Manager, Human Resources how would you like to rate the following human issues in your organization?

SCALE

(Please rate them in accordance of their order of importance on a 10-Point Scale opposite each item)

**ISSUES**

- | | | | | | |
|---|-----|-----|-----|-----|-----|
| 1. Minimizing retrenchment of low skilled workforce | --- | --- | --- | --- | --- |
| 2. Retooling and redeployment of retrenched workers | --- | --- | --- | --- | --- |

APPENDIX - E

**Human Issues related to the Selection, Training,
Development and Retention of Employees Scale**

APPENDIX-E**Human Issues related to the Selection, Training, Development and Retention of Employees Scale**

Dear Sir/Madam,

This questionnaire is aimed at finding out human issues under modernization strategies in Indian business environment. Although it is basically an academic exercise however, if you wish we would keep your name and your organization's name secret. If you are further interested we shall be glad to send you the final results of this research as well. Thank you.

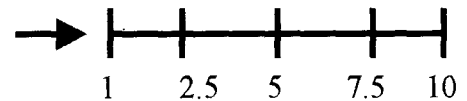
Item 1-Has your organization undergone any modernization process during the last ten years (ex-1990 till date)? Yes/No

(If yes then kindly proceed to answer the following item)

Item 2-In the wake of modernization process as Senior Manager, Human Resources how would you like to rate the following human issues in your organization?

SCALE

(Please rate them in accordance of their order of importance on a 10-Point Scale opposite each item)

**ISSUES**

1. Adaptability of managers in a dynamic and flat work

systems

--- --- --- --- ---

2. Attracting and retaining knowledge workers

--- --- --- --- ---

3. Emphasis on multi-skilling and ability to work in multi-cultural settings

--- --- --- --- ---

APPENDIX – F

**Human Issues related to the Employees' Morale and
Organizational Climate Setting Scale**

APPENDIX –F**Human Issues related to the Employees' Morale and Organizational Climate Setting Scale**

Dear Sir/Madam,

This questionnaire is aimed at finding out human issues under modernization strategies in Indian business environment. Although it is basically an academic exercise however, if you wish we would keep your name and your organization's name secret. If you are further interested we shall be glad to send you the final results of this research as well. Thank you.

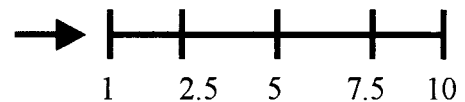
Item 1-Has your organization undergone any modernization process during the last ten years (ex-1990 till date)? Yes/No

(If yes then kindly proceed to answer the following item)

Item 2-In the wake of modernization process as Senior Manager, Human Resources how would you like to rate the following human issues in your organization?

SCALE

(Please rate them in accordance of their order of importance on a 10-Point Scale opposite each item)

**ISSUES**

- | | | | | | |
|--|-----|-----|-----|-----|-----|
| 1. Boosting of employees morale | --- | --- | --- | --- | --- |
| 2. Building organizational learning environment. | --- | --- | --- | --- | --- |
| 3. Issue of workers' empowerment & delegation. | --- | --- | --- | --- | --- |

APPENDIX – G

Human Issues related to industrial Relations Scale

APPENDIX –G**Human Issues related to industrial Relations Scale**

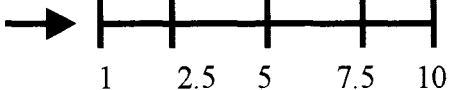
Dear Sir/Madam,

This questionnaire is aimed at finding out human issues under modernization strategies in Indian business environment. Although it is basically an academic exercise however, if you wish we would keep your name and your organization's name secret. If you are further interested we shall be glad to send you the final results of this research as well. Thank you.

Item 1-Has your organization undergone any modernization process during the last ten years (ex-1990 till date)? Yes/No

(If yes then kindly proceed to answer the following item)

Item 2-In the wake of modernization process as Senior Manager, Human Resources how would you like to rate the following human issues in your organization?

	SCAL				
	E				
					
ISSUES	1	2.5	5	7.5	10
1. Increased politicisation of workers' union	---	---	---	---	---
2. Aggravating HR harmony and peace	---	---	---	---	---
3. Powerlessness and redundancy of unions	---	---	---	---	---
4. Changing power equations between management and unions.	---	---	---	---	---

APPENDIX – H

Human Issues Questionnaire

APPENDIX –H

HUMAN ISSUES QUESTIONNAIRE

Dear Sir/Madam,

This questionnaire is aimed at finding out human issues under modernization strategies in Indian business environment. Although it is basically an academic exercise however, if you wish we would keep your name and your organization's name secret. If you are further interested we shall be glad to send you the final results of this research as well. Thank you.

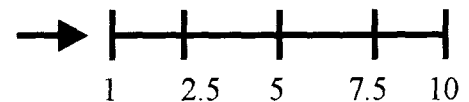
Item 1-Has your organization undergone any modernization process during the last ten years (ex-1990 till date)? Yes/No

(If yes then kindly proceed to answer the following item)

Item 2-In the wake of modernization process as Senior Manager, Human Resources how would you like to rate the following human issues in your organization?

SCALE

(Please rate them in accordance of their order of importance on a 10-Point Scale opposite each item)



ISSUES

1. Proper strategic approach towards HRD	---	---	---	---	---
2. Alignment between corporate and HR strategy	---	---	---	---	---
3. Alignment between organizational and employees objectives	---	---	---	---	---
4. Continuous revision and assessment of job description	---	---	---	---	---
5. Upgrading employees as per the revised job description	---	---	---	---	---
6. Need for greater people orientation	---	---	---	---	---

7. Continuous rationalization and designing of HR systems, policies tools and techniques	---	---	---	---	---
8. Continuous system's monitoring, survey, feedback and HR research	---	---	---	---	---
9. Minimizing retrenchment of low skilled workforce	---	---	---	---	---
10. Retooling and redeployment of retrenched workers	---	---	---	---	---
11. Adaptability of managers in a dynamic and flat work systems	---	---	---	---	---
12. Attracting and retaining knowledge workers	---	---	---	---	---
13. Emphasis on multi-skilling and ability to work in multi-cultural settings	---	---	---	---	---
14. Boosting of employees morale	---	---	---	---	---
15. Building organizational learning environment.	---	---	---	---	---
16. Issue of workers' empowerment & delegation.	---	---	---	---	---
17. Increased politicisation of workers' union	---	---	---	---	---
18. Aggravating HR harmony and peace	---	---	---	---	---
19. Powerlessness and redundancy of unions	---	---	---	---	---
20. Changing power equations between management and unions.	---	---	---	---	---

APPENDIX – I

**Rating Scale
&
Personal Data Sheet**

APPENDIX –I**RATING SCALE**

Listed below is given seven major factors (A, B, C, D, E, F & G) which are generally believed to be the major human issues under modernization strategies. Employees are not in agreement with regard to the importance of these factors. Some employees feel that one factor is more important than other while in the opinion of other employees it is vice-versa.

We would like to know how much importance did you attach to each of these factors under modernization strategies.

You are, therefore, requested to rank the importance of these factors by putting any one of the numbers (7,6,5,4,3,2, or 1) in the bracket against each factor. 7 is for the most important factor, 6 for the next most important factor and so on in order of decreasing importance while 1 for the least important factor.

Please be assured that this information shall be kept confidential and will not be used for any other purpose except this research.

Factor-A: Human Issues related to the Human Resource Policy ()

Factor-B: Human Issues related to the Revision and Measurement of Job Description ()

Factor-C: Human Issues related to the Human Resource Methods and Systems. ()

Factor-D: Human Issues related to the Retrenchment and Redeployment of Workers ()

Factor-E: Human Issues related to the Selection, Training, Development and Retention of Employees ()

Factor-F: Human Issues related to the Employees Morale and Organizational ClimateSetting ()

Factor-G: Human Issues related to industrial Relations ()

Personal Data Sheet

Name: _____ Sex: _____ Age: _____

Marital status (Married/Single) _____ Designation: _____

Name of the Organization _____ Location of the Organization (Rural/Urban) _____

Length of service in the] _____

Organization (in years)] _____ Today's date: _____